

CITY OF CLAYTON GENERAL PLAN

HOUSING ELEMENT

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November 16, 1993

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Wendy Belvedere, Assistant Planner

CONSULTANTS

J. Laurence Mintier & Associates Planning Consultants

J. Laurence Mintier, Principal
Martin Carver, Associate Planner

The Consulting Group

Richard Bornholdt, Principal

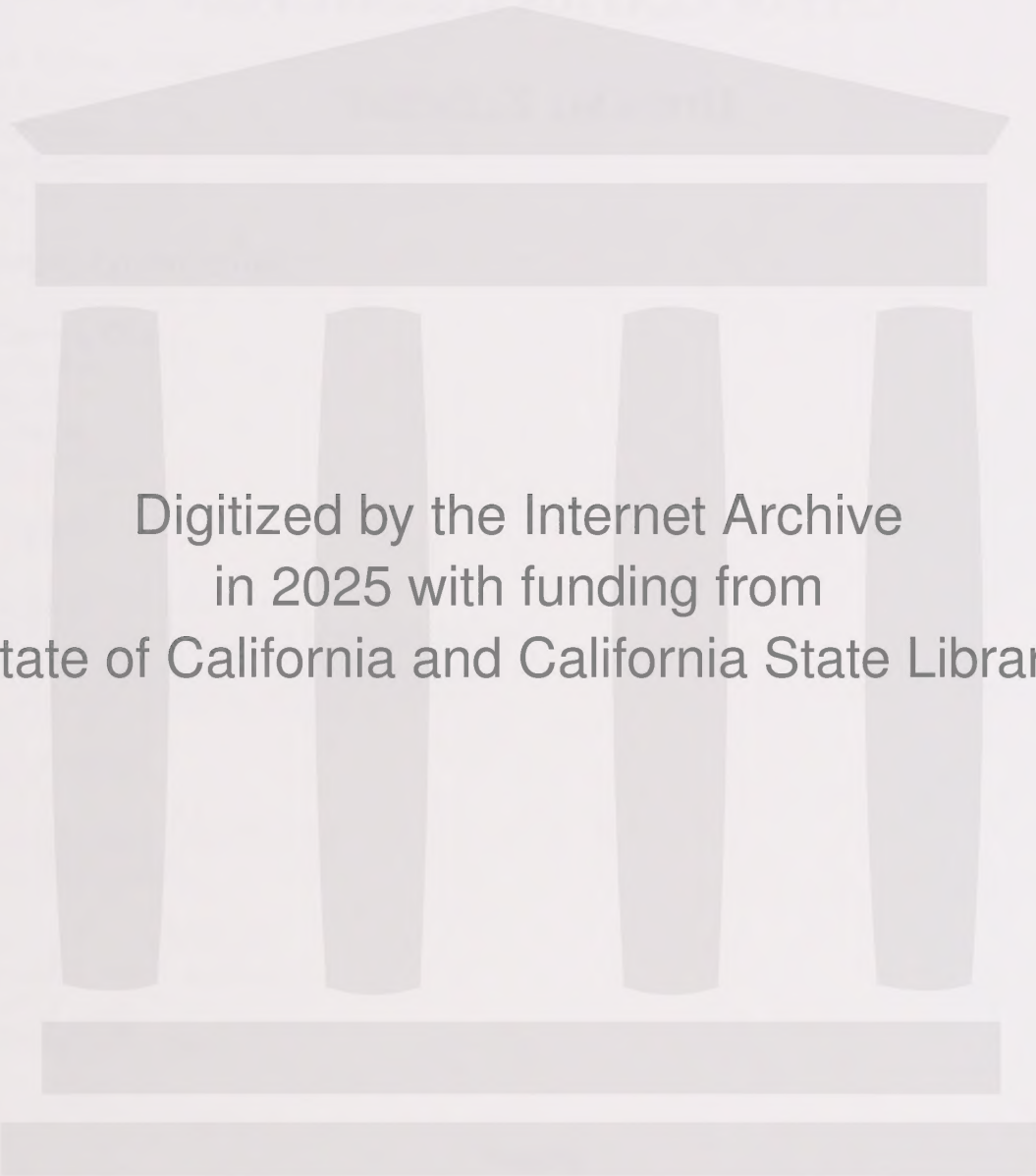
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CITY OF CLAYTON GENERAL PLAN

HOUSING ELEMENT

Adopted

November 16, 1993



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RESOLUTION NO. 68-93

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAYTON AMENDING THE CLAYTON GENERAL PLAN BY ADOPTING AN UPDATED HOUSING ELEMENT.

WHEREAS, following a duly noticed public hearing on October 12, 1993, the Clayton Planning Commission recommended to the City Council the adoption of an updated Housing Element to the General plan; and

WHEREAS, the City Council held a duly noticed public hearing on November 16, 1993 on the updated Housing Element and gave due consideration to all testimony, comments and documents received; and

WHEREAS, the existence of a Housing Element is required by State Government Code Section 65583, and State law further requires regular update of the Housing Element; and

WHEREAS, the City of Clayton is required by State Government Code Section 65588, as amended, to prepare a Housing Element update for the period covering 1990 to 1997; and

WHEREAS, the Housing Element has been prepared in accordance with State requirements and contains all State mandated contents, analysis, discussion, goals, policies, implementation programs, and quantified objectives; and

WHEREAS, the Housing Element also contains the Redevelopment Agency Affordable Housing Plan as required by State Health and Safety Code Section 33413(b)(4); and

WHEREAS, the Housing Element was circulated to the State Department of Housing and Community Development (HCD) for their required review, and all comments from HCD have been adequately addressed and included in the Housing Element; and

WHEREAS, the Housing Element fully complies with the Growth Management Program of the Contra Costa Transportation Authority; and

WHEREAS, the Housing Element is internally consistent with the goals and policies of the existing Clayton General Plan; and

RESOLUTION NO. 68-93

WHEREAS, the Environmental Review of the Housing Element did not indicate that any substantial adverse impacts would occur as a result of this Element.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Clayton to amend the Clayton General Plan by adopting the updated Housing Element to the General Plan.

Adopted by the City Council of the City of Clayton at a regular meeting of said Council held on November 16, 1993, by the following vote:

AYES: Council Members Kendall, Manning, Pierce,

Vice Mayor Laurence, Mayor Walcutt

NOES: None

ABSENT: None

W R Walcutt
Mayor

ATTEST:

Frances Douglas
Frances Douglas, City Clerk

I hereby certify that the foregoing resolution was duly and regularly passed by the City Council of the City of Clayton at a regular meeting held on November 16, 1993.

Frances Douglas
Frances Douglas, City Clerk

RESOLUTION NO. 93-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY OF CLAYTON REDEVELOPMENT AGENCY ADOPTING AN AFFORDABLE HOUSING PLAN AS CONTAINED WITHIN THE CITY'S UPDATED HOUSING ELEMENT.

WHEREAS, following a duly noticed public hearing on October 12, 1993, the Clayton Planning Commission recommended to the City Council/Redevelopment Agency Board of Directors the adoption of an updated Housing Element to the Clayton General Plan which include the Redevelopment Agency's Affordable Housing Plan; and

WHEREAS, the Redevelopment Agency Board of Directors held a duly noticed public hearing on November 16, 1993 on the Redevelopment Agency's Affordable Housing Plan contained within the updated Housing Element, and gave due consideration to all testimony, comments and documents received; and

WHEREAS, an Agency's Affordable Housing Plan is required by State Health and Safety Government Code Section 33413(b)(4); and

WHEREAS, the updated Housing Element contains the Redevelopment Agency's Affordable Housing Plan which complies with the requirements of the above mentioned Code Section; and

WHEREAS, the Housing Element containing the Redevelopment Agency's Affordable Housing Plan was circulated to the State Department of Housing and Community Development (HCD) for their review and comment, and all comments from HCD have been adequately addressed and included; and

WHEREAS, the Affordable Housing Plan as contained within the Housing Element is internally consistent with the goals and policies of the existing Clayton General Plan; and

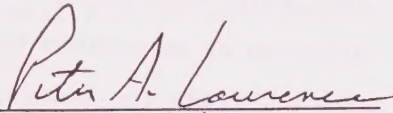
WHEREAS, the Environmental Review of the Affordable Housing Plan as contained within the Housing Element did not indicate that any substantial adverse impacts would occur as a result of this Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Clayton Redevelopment Agency to hereby adopt the Affordable Housing Plan as contained within the updated Housing Element.

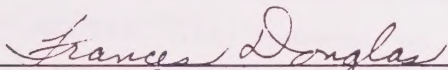
RESOLUTION NO. 93-3

Adopted by the Board of Directory of the City of Clayton
Redevelopment Agency at a regular meeting of said Board held on
November 16, 1993, by the following vote:

AYES: Agency Members Kendall, Manning, Walcutt
Vice Chair Pierce, Chairman Laurence
NOES: None
ABSENT: None


Pete Laurence, Chairman

ATTEST:


Frances Douglas, Secretary

I hereby certify that the foregoing resolution was duly and
regularly passed by the City Council of the City of Clayton at a
regular meeting held on November 16, 1993.

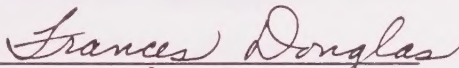

Frances Douglas, Secretary

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INTRODUCTION

INTRODUCTION

Under the requirements of state law, every city and county in California must prepare a housing element as part of its general plan. The housing element must document in detail characteristics of the existing housing stock and existing and projected housing needs. The housing element must also set forth goals, policies, and implementation programs that respond to the housing needs of the community.

Government Code Section 65583 describes the content of a housing element as follows:

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

This Housing Element includes these required contents and is a comprehensive update of the Housing Element adopted by the City of Clayton in 1985. This Housing Element covers the period July 1, 1990, to July 1, 1997.

The *Housing Element* consists of two parts. Part I is the *Housing Element Policy Document* which includes housing goals, policies, implementation programs, and quantified objectives. The Policy Document divides housing goals and policies into four categories. The first category addresses the provision of adequate sites to accommodate Clayton's fair share housing allocation. The second category addresses regulatory relief and incentives. The third category addresses rental and homeownership assistance. The fourth category addresses equal access to housing. Following the housing goals and policies are implementation programs and quantified objectives. Part I also contains an affordable housing plan for the Clayton Redevelopment Agency as required by *Health and Safety Code Section 33413(b)(4)*. Part II is the *Housing Element Background Report* and includes an analysis of Clayton's housing stock, an assessment of housing needs, a detailed analysis of potential sites for development of housing, and an assessment of governmental and non-governmental constraints. Part II also contains an analysis of the Clayton Redevelopment Agency's affordable housing obligation and Redevelopment Agency resources available to provide this affordable housing.

PART I
HOUSING ELEMENT POLICY DOCUMENT

PART I

POLICY DOCUMENT

HOUSING GOALS AND POLICIES

ADEQUATE SITES AND NEW CONSTRUCTION

Goal I.A: To provide for adequate sites and promote the development of new housing to accommodate Clayton's fair share housing allocation

Policies

- I.A.1. The City shall designate and zone sufficient land to accommodate Clayton's projected household growth.
- I.A.2. The City shall require residential projects developed on designated Affordable Housing Opportunity Sites in the Redevelopment Project Area to include units affordable to very low-, low-, and/or moderate-income households. The minimum number of affordable units required on each such site shall be as specified in Table A-1 of Housing Policy Appendix A.
- I.A.3. The City shall actively participate in the development of very low-, low-, and moderate-income housing to meet Clayton's fair share housing allocation and redevelopment agency housing requirements. To this end, the City shall subsidize the construction of housing for very low-, low-, and moderate-income households on designated Affordable Housing Opportunity Sites in the Redevelopment Project Area.
- I.A.4. The City shall require developers of new residential projects of 10 or more units, except those developed on Affordable Housing Opportunity Sites, to develop 5 percent of all project units as very low-income housing and 5 percent of all project units as low-income housing. In lieu of constructing the required number of very low- and low-income units on or off site, the developer may, at the City's discretion, make an equivalent in-lieu cash contribution, dedication of land, or combination thereof.
- I.A.5. The City shall promote wherever feasible, homeownership for low- and moderate-income households in Clayton.
- I.A.6. The City shall promote the development of secondary units on existing single family-zoned lots.
- I.A.7. The City shall monitor the affordability of new housing sales in the community.

REGULATORY RELIEF AND INCENTIVES

Goal I.B: **To the extent feasible, remove governmental constraints on the production of affordable housing and create incentives for the production of affordable housing.**

Policies

- I.B.1. The City shall permit owner-occupied and rental multi-family residential use by right.
- I.B.2. The City shall encourage affordable housing by granting incentives (e.g., density bonus) to projects that provide affordable on-site units.
- I.B.3. The City shall work to decrease the review and approval time for projects that provide affordable on-site units and otherwise simplify the development review process for residential development.
- I.B.4. The City may reduce development and planning fees for projects that provide affordable on-site units.
- I.B.5. The City shall provide flexible development standards for projects that provide affordable on-site units.

RENTAL AND HOMEOWNERSHIP ASSISTANCE

Goal I.C: **To increase housing opportunities for lower-income renters and first-time homebuyers.**

Policies

- I.C.1. The City shall promote assistance to lower-income renters and first-time homebuyers by promoting programs available through Contra Costa County and the Contra Costa County Housing Authority.

EQUAL ACCESS

Goal I.D: **To ensure equal housing opportunities for all persons in Clayton regardless of age, race, religion, sex, marital status, national origin, color, or other barriers that prevent choice in housing.**

Policies

- I.D.1. The City shall promote housing opportunities for all persons regardless of age, race, religion, sex, marital status, national origin, color, or other barriers that prevent choice in housing.

ENERGY CONSERVATION

Goal I.E **To encourage and maintain energy efficiency in new and existing housing.**

Policies

I.E.1. The City shall continue to promote energy conservation in the design of all new residential structures and shall promote incorporation of energy conservation and weatherization features in existing homes.

IMPLEMENTATION PROGRAMS

I.1. The City shall initiate *General Plan* redesignation and rezoning of the Easley Property to permit medium-density, single-family residential use, and of the Town Center Site and Miscellaneous Town Center Sites to permit medium-density, multi-family residential use.

- Responsibility: City Council; Planning Commission; Community Development Department

- Time Frame: FY 93-94

I.2 The Redevelopment Agency shall use its 20 percent housing set-aside to subsidize construction of housing for very low-, low-, and moderate-income households on designated Affordable Housing Opportunity Sites in the Redevelopment Project Area. The agency shall attempt to utilize its set-aside for construction of housing according to the Illustrative Development Schedule below. In the event development opportunities arise sooner than projected below and the accumulated cash balance of the Redevelopment Agency housing set-aside fund is insufficient to fully subsidize such projects, the City and the Redevelopment Agency shall, in consultation with project proponents, do one of the following as a means of providing full subsidization for the projects: 1) obtain conventional financing from area lenders; 2) participate in a bond issue with neighboring jurisdictions; or 3) issue bonds.

ILLUSTRATIVE DEVELOPMENT SCHEDULE¹
Affordable Housing Opportunity Sites

Completion Date	1995	1997	1999	2001
Site	Lemke	Town Center	Misc. Town Center	Easley
Very Low Income ²	0	15	15	0
Low Income ²	0	14	15	0
Moderate Income ²	17	31	35	8
Illustrative Subsidy	595,000	1,138,207	783,429	280,000
Cumulative Subsidy	595,000	1,733,207	2,516,636	2,796,636
Net Cumulative ³ Redevelopment Housing Set-Aside Available	804,000	1,737,000	2,843,000	4,110,000

Notes: ¹This schedule is based on factors known to the City as of December 1993, including property owner interest. Actual development will be determined by property owner/developer factors not known or controlled by the City.

²From Table II-39

³Derived from Table II-37 and Table II-38

- Responsibility: Redevelopment Agency; City Council; Community Development Department
- Time Frame: Ongoing

I.3. The City shall establish an affordable housing task force consisting of City staff, elected and appointed officials, and members of the general public to actively promote development on Affordable Housing Opportunity Sites.

- Responsibility: City Council; Planning Commission; Community Development Department
- Time Frame: FY 93-94

I.4. The City shall adopt an affordable housing program ordinance requiring new residential projects of 10 or more units, except those developed on designated Affordable Housing Opportunity Sites, to develop 5 percent of all project units as very low-income housing and 5 percent of all project units as low-income housing. In lieu of constructing the required number of very low- and low-income units on or off site, the developer may, at the City's discretion, make an equivalent in-lieu cash contribution, dedication of land, or combination thereof. A formula to determine the appropriate amount of in-lieu contributions shall be included within the ordinance.

- Responsibility: City Council; Planning Commission; Community Development Department
- Time Frame: FY 93-94

- I.5. The City shall initiate revision of its *Zoning Ordinance* to allow second units on all single family lots 10,000 square feet or larger in size and to allow second units over detached garages on single family lots 6,000 square feet or larger in size.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.6. The City shall initiate revision of its *Zoning Ordinance* to allow manufactured houses and mobile home parks in Clayton, consistent with the requirements of state law.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.7. The City shall require developers to file reports with the City Clerk at least annually declaring the number and price of new houses each developer sold in Clayton during the previous year.
- Responsibility: City Council; Community Development Department
 - Time Frame: FY 93-94
- I.8. In accordance with the requirements of state law, the City shall revise its *Zoning Ordinance* to eliminate the requirement for a conditional use permit for multi-family housing.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.9. In accordance with the requirements of state law, the City shall revise its *Zoning Ordinance* to provide for a density bonus of at least 25 percent and at least one other incentive. This shall apply to residential projects of five or more units that reserve at least 20 percent of their units for lower-income households, 10 percent for very low-income households, or 50 percent for qualified senior citizens. Where projects do not qualify for this density bonus, the City shall provide a 15 percent density bonus for residential projects of five or more units that include 20 percent moderate-income housing or a 15 percent density bonus for residential projects of five or more units that include 10 percent very low- and low-income housing.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.10. The City shall prioritize development applications to decrease the review and approval time for all development projects that include on-site residential units affordable to very low- and low-income households.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94

- I.11. The City shall initiate revision of its *Municipal Code* to establish a procedure to reduce or waive certain development fees for development projects that include on-site residential units affordable to very low- and low-income households.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.12. The City shall initiate revision of its *Zoning Ordinance* to establish a procedure to provide flexible development standards (e.g., parking, landscaping, setbacks) for development that includes on-site residential units affordable to very low- and low-income households.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.13. The City shall initiate revision of its *Zoning Ordinance* to eliminate the requirement for approval of a preliminary plan for Planned Unit Developments (PUDs) and to otherwise simplify the PUD process.
- Responsibility: City Council; Planning Commission; Community Development Department
 - Time Frame: FY 93-94
- I.14. The City shall post in City Hall, on Ohm's Board (community bulletin board adjacent to the Post Office), and in the local library (soon to be completed), and disseminate in its monthly newsletter, information regarding Contra Costa County's Mortgage Credit Certificate Program, the Mortgage Revenue Bond Program, and the Owner-Occupied Housing Rehabilitation Program. The City shall also post and disseminate information regarding Contra Costa Housing Authority's Lower-Income Rental Assistance Program and Aftercare Certificates.
- Responsibility: Community Development Department
 - Time Frame: FY 93-94; ongoing
- I.15. The City shall post in City Hall, on Ohm's Board, and in the local library, and disseminate in its monthly newsletter, information regarding the enforcement program of the State Fair Employment and Housing Commission. Such information shall include the name, address, and telephone number of a local contact agency (i.e., City or County).
- Responsibility: Community Development Department
 - Time Frame: FY 93-94; ongoing

ADEQUATE SITES FOR VERY LOW- AND LOW-INCOME HOUSEHOLDS

The *Housing Element Background Report* reports that Clayton lacks adequate sites appropriately zoned to accommodate its fair share housing allocation for very low- and low-income households. According to state law, communities that lack sufficient housing sites to accommodate the housing needs for groups of all household income levels must provide "sufficient sites with zoning that permits owner-occupied and rental multi-family residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households" (*Government Code* § 65583).

This *Housing Element* contains policies and implementation programs designed to rectify the City's lack of adequate sites for very low-income housing. Policy I.A.2 designates Affordable Housing Opportunity Sites on which the City will require a specified amount of very low-, low-, and moderate-income housing. Policy I.A.3 and Implementation Program 1.2 guarantee subsidy by the Redevelopment Agency of required affordable housing on these designated Affordable Housing Opportunity Sites. Two sites listed in Table A-1--the Easley Property and the Miscellaneous Town Center Sites--require either general plan redesignation or rezoning. Policy I.A.1 and Implementation Program I.1 commit the City to initiate the redesignation of these sites for residential use. Implementation Program 1.3 establishes a task force to promote development on Affordable Housing Opportunity Sites. Together, these policies and programs create adequate sites for low-income housing sufficient to meet the City's fair share housing allocation and the Redevelopment Agency's housing obligation. Regarding multi-family residential use by right, Policy I.B.1 and Implementation Program I.8 commit the City to revising its *Zoning Ordinance* to allow multi-family residential use without a use permit.

QUANTIFIED OBJECTIVES

Table I-1 summarizes Clayton's quantified objectives for the period January 1, 1990, to July 1, 1997. These quantified objectives are reasonable expectations for the construction of new housing units, the rehabilitation of existing housing units, and the assistance of households through affordability conservation. They are based on the policies and programs outlined in this part and on general market conditions.

TABLE I-1
QUANTIFIED OBJECTIVES
(July 1, 1990, to July 1, 1997)

Category ¹	Very Low	Low	Moderate	Above Moderate	Total
NEW CONSTRUCTION					
Clayton Fair Share Allocation					
ABAG Housing Needs Determination for the January 1988 to July 1995	39	29	39	134	241
Residential Permits Issued 1/88 through 1/92	20	3	2	385	410
Remaining Need	19	26	37	0	82
Units Developed Through Housing Programs					
Programs 1.1 and 1.2 (Opportunity Sites)	15	14	48	0	77
Program 1.5 (Secondary Units)	0	3	0	0	3
Units Developed by the Private Market	0	0	40	310	350
Total New Construction	15	17	88	310	430²

Notes: ¹Very low income = less than 50 percent of median income (i.e., less than \$23,400 per year for a family of four); low income = between 50 percent and 80 percent of median income (i.e., \$23,400 to \$37,450 per year for a family of four); moderate income = between 80 percent and 120 percent of median income (i.e., \$37,450 to \$56,150 per year for a family of four); above moderate income = more than 120 percent of median income (i.e., more than \$56,150 per year for a family of four)

²Eighty of these residential units are expected to be developed through housing programs specified in the Policy Document. Of these, 60 are expected to develop on the Town Center Site, 17 are expected to develop on the Lemke Site, and the remaining three are expected to develop on existing developed lots as second units. The remaining 350 units are expected to be developed by the private market with most units being a part of the Oakhurst project. Forty of the Oakhurst Project units are expected to be affordable to moderate-income households. The affordability of these 40 units will be verified in accordance with Implementation Program I.7.

TABLE I-1

QUANTIFIED OBJECTIVES
(July 1, 1990, to July 1, 1997)

Category ¹	Very Low	Low	Moderate	Above Moderate	Total
CONSERVATION					
Section 8 Certificates	20	0	0	0	20
Section 8 Vouchers	0	0	0	0	0
Section 8 Aftercare	0	0	0	0	0
Total Conservation	20	0	0	0	20
REHABILITATION					
CDBG Owner-Occupied Rehabilitation	0	0	0	0	0
Total Rehabilitation	0	0	0	0	0

Note: ¹Very low income = less than 50 percent of median income (i.e., less than \$23,400 per year for a family of four); low income = between 50 percent and 80 percent of median income (i.e., \$23,400 to \$37,450 per year for a family of four); moderate income = between 80 percent and 120 percent of median income (i.e., \$37,450 to \$56,150 per year for a family of four); above moderate income = more than 120 percent of median income (i.e., more than \$56,150 per year for a family of four)

HOUSING POLICY APPENDIX A

REDEVELOPMENT AGENCY AFFORDABLE HOUSING PLAN

INTRODUCTION

As of January 1, 1992, redevelopment agencies are required to adopt an affordable housing plan to comply with the following requirements of state law:

At least 30 percent of all new or rehabilitated dwelling units developed by an agency shall be available at affordable housing cost to persons and families of low or moderate income. Not less than 50 percent of the dwelling units required to be available at affordable housing cost to persons and families of low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households (*Health and Safety Code §33413 (b)(1)*).

At least 15 percent of all new or rehabilitated dwelling units developed within the project area by public or private entities or persons other than the agency shall be available at affordable housing cost to persons and families of low or moderate income. Not less than 40 percent of the dwelling units required to be available at affordable housing cost to persons and families of low or moderate income shall be available at affordable housing cost to very low income households (*Health and Safety Code §33413 (b)(2)*).

The affordable housing plan must be consistent with the locality's housing element. Accordingly, the City must review and amend the plan at least every five years in conjunction with the housing element. The affordable housing plan must ensure that the above requirements are met every ten years. If after the end of the ten-year period these requirements are not met, the agency must meet these goals on an annual basis until the requirements for the ten-year period are met.

CLAYTON REDEVELOPMENT AGENCY'S HOUSING OBLIGATION

Assuming that the Clayton Redevelopment Agency will not directly develop affordable housing but will use subsidies to support affordable housing development, the Redevelopment Agency must ensure that 15 percent of all housing built in the Redevelopment Project Area during the life of the *Redevelopment Project Area Plan* will be affordable to low- and moderate-income households. Forty percent of this housing must be affordable to very low-income households, and the remaining 60 percent must be affordable to at least moderate-income households.

According to the *Housing Element Background Report*, Clayton anticipates development of 802 new housing units within the Redevelopment Project Area during the life of the *Redevelopment Project Area Plan*. All of these units are expected to be developed by the year 2002. Accordingly, of the 802 existing and potential housing units, 15 percent (i.e., 120 units) must be affordable to persons and families of low or moderate income. Of these 120 units, 48 units (i.e., 40 percent) must be affordable to very low-income households. The 20-unit Housing for Independent Persons (HIP) project, which is affordable to very low-income households, reduces this figure to 28 units. The remaining 72 units (i.e., 60 percent of the 120 units) must be affordable to low- or moderate-income households.

Under the separate housing element law, the City is obliged to facilitate development of housing to meet its fair share of regional housing need. Clayton's fair share allocation through 1995, as determined by the Association of Bay Area Governments and adjusted for recent housing activity, includes 19 units for very low-income households, 26 units for low-income households, and 37 units for moderate-income

households. In 1993, the State Legislature extended the planning period for housing elements by two years. For Clayton, this means it has until 1997 to achieve its quantified objectives.

REDEVELOPMENT AGENCY HOUSING OBJECTIVES

The Redevelopment Affordable Housing Plan is built on a strategy of combining efforts to simultaneously meet the Redevelopment Agency's housing obligation and the City's fair share housing allocation. First, the City is committing to designating and zoning the Easley Property and the Miscellaneous Town Center sites for residential development (see Policy I.A.1 and Implementation Program I.1). These sites, plus the other sites listed in Table A-1 (Lemke and Town Center sites), are adequate to accommodate the Redevelopment Agency's affordable housing obligation. Second, to ensure that the Redevelopment Agency achieves its 15 percent affordable housing obligation by the end of its 10-year Affordable Housing Plan time frame (i.e., 2002), the City is designating the four sites listed in Table A-1 as Affordable Housing Opportunity Sites (see Policy I.A.2). Developers of Affordable Housing Opportunity Sites must include a minimum number of affordable housing units on these site as they are developed. If the sites do not develop during the 10-year period then the Redevelopment Agency Project Area will experience less growth than anticipated, and the Redevelopment Agency's housing obligation will be proportionately less. Third, the Redevelopment Agency is committing itself to subsidizing the cost of developing affordable housing on Affordable Housing Opportunity Sites (see Policy I.A.3 and Implementation Program I.2). This will ensure that affordable housing construction is economically feasible on each Affordable Housing Opportunity Site regardless of the site's allowable density or cost.

Table A-1 serves two purposes. First, it presents housing objectives for the Clayton Redevelopment Agency's Affordable Housing Plan for the period 1993 through 2002. Second, it identifies Affordable Housing Opportunity Sites and specifies the minimum number of very low-, low-, and moderate-income units to be developed on each site. Figure A-1 shows Affordable Housing Opportunity Sites. If these sites are developed in accordance with Table A-1, Clayton will meet its obligation for very low- and low-income housing and exceed its obligation for moderate-income housing.

TABLE A-1

**HOUSING OBJECTIVES FOR THE
REDEVELOPMENT AGENCY AFFORDABLE HOUSING PLAN AND
AFFORDABLE HOUSING OPPORTUNITY SITES¹
(1993 through 2002)**

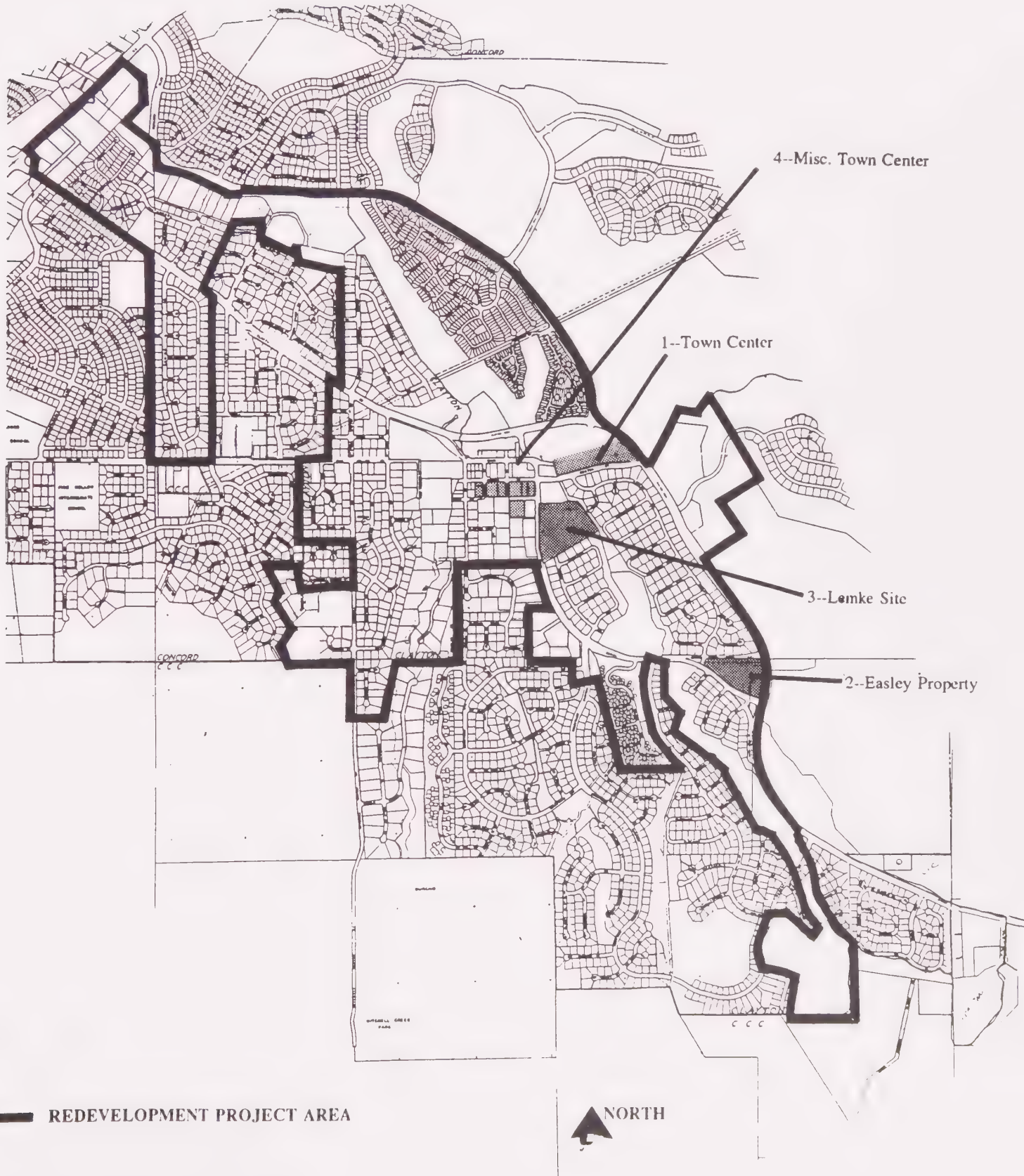
Site²	Total Potential	Minimum Number of Very Low-Income Units	Minimum Number of Low-Income Units	Minimum Number of Moderate-Income Units
1--Town Center Site	60	15	14	31
2--Easley Property	30	0	0	8
3--Lemke Site	68	0	0	17
4--Misc. Town Center Sites	65	15	15	35
Total	223	30	29	91

Notes: ¹Income limits for affordable units shall be as defined each year by the California Department of Housing and Community Development.

²See Figure II-1 in the *Housing Element Background Report* for the location of these sites.

FIGURE A-1

AFFORDABLE HOUSING OPPORTUNITY SITES



PART II

HOUSING ELEMENT BACKGROUND REPORT

PART II

BACKGROUND REPORT

INTRODUCTION

Under the requirements of state law, every city and county in California must prepare a housing element as part of its general plan. The housing element must document in detail the existing housing stock and existing and projected housing needs. This background report profiles Clayton's existing housing, assesses existing and projected housing needs, analyzes available sites, and reviews governmental and nongovernmental constraints on the production of affordable housing.

The *Housing Element Background Report* comprises eleven sections and one appendix. The first section summarizes information on Clayton's population, employment, and income. The second section describes Clayton's housing stock and its characteristics. The third section summarizes existing housing needs, projected housing needs, and the housing needs of special groups within Clayton's population. The fourth section describes sites that are available within Clayton to meet the city's future housing needs and discusses the services available to support development of these sites. The fifth section discusses land use controls and governmental constraints. The sixth section discusses non-governmental constraints on the production and availability of housing. The seventh section summarizes current and past housing programs in Clayton, including an analysis of the 1985 Housing Element. The eighth section summarizes opportunities for energy conservation. The ninth section discusses Housing Element consistency with the Clayton General Plan. The tenth section summarizes findings of the *Housing Element Background Report*. The eleventh section lists sources used in preparing the *Housing Element Background Report*. Finally, Appendix A consists of a synopsis of special housing requirements.

POPULATION, EMPLOYMENT AND INCOME

This section describes Clayton's population, employment characteristics, and income in terms of current conditions, trends, and projections. The information in this section comes primarily from the U.S. Census Bureau, the California Department of Finance, and the Association of Bay Area Governments (ABAG).

HISTORIC POPULATION GROWTH

Clayton was founded in 1857 and functioned for many years as a prosperous mining supply town and rural/agricultural settlement. At the height of the mining activity, Clayton's population reached 900. Toward the end of the 1800s and into the beginning of the 1900s Clayton's population decreased as commercial mining activity dwindled. The trend reversed as improved transportation and postwar urban expansion transformed the countryside with residential and associated commercial development. In 1964 Clayton voted to incorporate in response to aggressive annexation attempts by the City of Concord. Clayton's population remained stable through the 1960s and early 1970s. In the mid-1970s, the City approved its first big subdivision (Regency Woods). Because of this and other large developments, Clayton's population nearly quadrupled between 1970 and 1980. In the late-1980s, the City annexed adjacent neighborhoods (Clayton Woods, Dana Hills, and Dana Ridge) and approved a large undeveloped area (Oakhurst). The result was a dramatic increase in the city's population in 1988.

The California Department of Finance reported that Clayton had an estimated population of 8,018 persons and 2,553 households in 1992. This represents a 85 percent increase in population since 1980. In 1992, Clayton accounted for approximately one percent of the total population of Contra Costa County. Table II-1 shows recent population growth in Clayton.

TABLE II-1
HISTORICAL POPULATION GROWTH
City of Clayton
1970-1992

Year	Total Population	Group Quarter Population	Total Households	Population per Household	Change in Total Population
1970	1,385	--	--	--	--
1980	4,325	0	1,329	3.25	--
1981	4,470	0	1,385	3.23	3.4%
1982	4,441	0	1,379	3.22	-0.6%
1983	4,484	0	1,380	3.25	1.0%
1984	4,590	0	1,403	3.27	2.4%
1985	4,775	0	1,451	3.29	4.0%
1986	4,986	0	1,491	3.34	4.4%
1987	5,013	0	1,479	3.39	0.5%
1988	6,947	0	2,175	3.19	38.6%
1989	7,060	0	2,188	3.23	1.6%
1990	7,317	0	2,332	3.14	3.6%
1991	7,925	0	2,526	3.14	8.3%
1992	8,018	0	2,553	3.14	1.2%

Sources: U.S. Census Bureau; California Department of Finance

PROJECTED POPULATION GROWTH

According to City and ABAG projections, Clayton's population will increase by 4,740 (61 percent) to a population of 12,440 between 1990 and 2005. During the same period, Contra Costa County's population is expected to increase by 20 percent to 946,900 persons, making it the third fastest growing county in the Bay Area behind Sonoma County (28 percent) and Solano County (40 percent). Clayton's average household size is expected to decrease from 3.10 to 2.90 by 2005. Table II-2 shows population, household, and household size projections for Clayton and Contra Costa County.

TABLE II-2
POPULATION PROJECTIONS
Clayton Sphere of Influence and Contra Costa County
1990 - 2005

	1990	1995	2000	2005
Clayton				
Population	7,700	9,720	11,950	12,440
Households	2,460	3,240	4,050	4,290
Average Household Size	3.10	3.00	2.95	2.90
Contra Costa				
Population	790,000	861,000	913,000	946,900
Households	303,690	334,390	364,700	380,790
Average Household Size	2.57	2.54	2.47	2.46

Source: City of Clayton; Association of Bay Area Governments

POPULATION AGE STRUCTURE

According to the U.S. Census Bureau, the median age of Clayton's population rose from 31.6 years in 1980 to 37.0 years in 1990. By comparison, during the same period, the median age of Contra Costa County's population rose from 31.5 to 34.2 years. Table II-3 shows Clayton's population age structure in 1980 and 1990.

TABLE II-3

POPULATION AGE DISTRIBUTION
City of Clayton
1990

Age	1980		1990	
	Number	Percent	Number	Percent
Under 15	1,157	26.8	1,866	25.5
15-29	835	19.3	1,091	14.9
30-44	1,372	31.7	2,146	29.3
45-59	726	16.8	1,553	21.2
60-74	196	4.5	551	7.5
75 +	39	0.9	110	1.5
Total	4,325	100.0	7,317	100.0

Source: U.S. Census Bureau

ETHNICITY

According to the U.S. Census Bureau, Clayton's population was 88 percent white in 1990, compared to 91 percent in 1980. Compared to Contra Costa County as a whole, Clayton has significantly fewer minorities. Table II-4 shows the racial and ethnic composition of Clayton and Contra Costa County in 1990.

TABLE II-4

RACIAL AND ETHNIC PROFILE
Clayton and Contra Costa County
1990

	City of Clayton		Contra Costa County	
	Number	Percent	Number	Percent
White	6,483	88.6	560,146	69.8
Hispanic	388	5.3	91,282	11.3
Asian, Pacific Islanders	357	4.9	73,810	9.3
Black	73	1.0	72,799	9.0
Native Amer., Eskimo, or Aleut	15	0.2	4,441	0.5
Other	1	0.0	1,254	0.1
TOTAL	7,317	100.0	803,732	100.0

Source: U.S. Census Bureau

HOUSEHOLD COMPOSITION

Clayton is a traditional family city. According to the 1990 Census, over 80 percent of all households in Clayton are married-couple families; this compares with only 56 percent countywide. Conversely, the percentages of single-person and single-parent households is lower in Clayton than countywide. Table II-5 shows household composition in Clayton and Contra Costa County in 1990.

TABLE II-5

HOUSEHOLD COMPOSITION
City of Clayton and Contra Costa County
1990

	City of Clayton		Contra Costa County	
	Number of Households	Percent	Number of Households	Percent
Single Person	184	7.9	66,995	22.3
Two or More Person				
Married-Couple Family	1,868	80.1	169,151	56.3
Other Family				
Male Householder	63	2.7	10,993	3.7
Female Householder	148	6.3	32,505	10.8
Non-Family Household	69	3.0	20,644	6.9
Total	2,332	100.0	300,288	100.0

Source: U.S. Census Bureau

EMPLOYMENT

Clayton is a residential community with very few jobs. ABAG reported that there were 830 jobs in Clayton's Sphere of Influence in 1990. Between 1990 and 2005, ABAG projects jobs within Clayton's Sphere of Influence to increase by 68.7 percent to approximately 1,400 jobs. Table II-6 shows employment estimates and projections for Clayton's Sphere of Influence for the period 1980 through 2005.

TABLE II-6

**TOTAL EMPLOYMENT
Clayton Sphere of Influence
1980-2005**

Year	Clayton Sphere
1980	472
1985	690
1990	830
1995	1,060
2000	1,140
2005	1,400

Source: Association of Bay Area Governments

The U.S. Census Bureau reported that 56 percent of Clayton's resident's (4,079 of 7,317 persons) were employed in 1990. While employment projections are not available for Clayton City proper, ABAG did developed projections for Clayton's Sphere of Influence. ABAG's *Projections '90* reports 51 percent (6,400 of 12,440 persons) of persons living in Clayton's Sphere of Influence in 2005 will be employed. ABAG expects the greatest employment growth in the service and retail job sectors during this period. Table II-7 shows estimated and projected employed Clayton residents for the period 1980 through 2005.

TABLE II-7

TOTAL EMPLOYED RESIDENTS
Clayton Sphere of Influence
1980-2005

Year	Clayton Sphere
1980	3,495
1985	3,800
1990	4,500
1995	5,800
2000	6,300
2005	6,400

Source: Association of Bay Area Governments

THE JOBS/HOUSING BALANCE

Planners use the analysis of jobs/housing balance to measure the degree to which communities and subregions are inducing commuter travel as they grow. A community achieves a jobs/housing balance when it has as many jobs as employed residents. For example, a city with 10,000 employed residents requires 10,000 jobs to be in balance. A community is out of balance if it either has more jobs than employed residents (i.e., is job rich) or has more employed residents than jobs (i.e., is housing rich).

In 1980, Clayton had a ratio of jobs to employed residents of 0.14 (472 jobs ÷ 3,495 employed residents). In 1985, the ratio of jobs to employed residents rose to 0.18, indicating that Clayton gained more jobs than employed residents between 1980 and 1985. ABAG expects the ratio to remain constant between 1985 and 2000 and to increase to 0.22 (1,400 jobs ÷ 6,400 employed residents) between 2000 and 2005. In short, Clayton will continue to be housing rich and a net exporter of workers. It will, however, improve its jobs/housing balance by adding more jobs than employed residents between 2000 and 2005. Table II-8 shows Clayton's estimated and projected jobs/housing balance for the years 1980 through 2005.

TABLE II-8

JOBS/HOUSING BALANCE
Clayton Sphere of Influence
1980-2005

Year	Number of Jobs	Number of Employed Residents	Ratio of Jobs to Employed Residents
1980	472	3,495	.14
1985	690	3,800	.18
1990	830	4,500	.18
1995	1,060	5,800	.18
2000	1,140	6,300	.18
2005	1,400	6,400	.22

Sources: Association of Bay Area Governments; J. Laurence Mintier & Associates

FAMILY AND HOUSEHOLD INCOME

Clayton is an affluent community with a *median* family income of \$71,197. This is significantly higher than the median family income for Contra Costa County of \$51,651. Table II-9 shows the distributions of income for Clayton and Contra Costa County in 1990.

TABLE II-9
FAMILY INCOME DISTRIBUTION
City of Clayton
1990

Family Income	Clayton		Contra Costa County	
	Number	Percent	Number	Percent
Less than \$5,000	12	0.5	3,788	1.8
\$5,000-\$9,999	4	0.2	6,782	3.1
\$10,000-\$14,999	12	0.5	8,558	4.0
\$15,000-\$19,999	31	1.5	9,087	4.2
\$20,000-\$24,999	41	1.9	10,022	4.7
\$25,000-\$29,999	27	1.3	11,348	5.3
\$30,000-\$34,999	85	4.0	12,725	5.9
\$35,000-\$39,999	28	1.3	12,490	5.8
\$40,000-\$49,999	119	5.7	27,709	12.9
\$50,000-\$59,999	232	11.1	25,623	11.9
\$60,000-\$74,999	565	27.1	30,701	14.4
\$75,000-\$99,999	454	21.7	28,590	13.4
\$100,000-\$124,999	303	14.6	12,558	5.8
\$125,000-\$149,999	107	5.1	5,565	2.6
\$150,000 or more	74	3.5	9,131	4.2
Total	2,094	100.0	214,677	100.0

Source: U.S. Census Bureau

In constant 1988 dollars, ABAG projects that *average* household income will increase in Clayton's Sphere of Influence from \$62,000 in 1990 to \$71,700 in 2005. These averages are much higher (by about \$14,000) than Contra Costa County as a whole. Table II-10 shows estimated and projected average household income for Clayton and Contra Costa County for the years 1980 through 2005.

TABLE II-10
AVERAGE HOUSEHOLD INCOME
(in Constant 1988 Dollars)
Clayton Sphere of Influence and Contra Costa County
1980-2005

Year	Clayton Sphere	Contra Costa County
1980	\$56,791	\$43,407
1985	60,300	46,800
1990	62,000	49,600
1995	67,100	52,400
2000	67,400	54,200
2005	71,700	57,500

Source: Association of Bay Area Governments

HOUSING STOCK AND CHARACTERISTICS

This section describes Clayton's housing stock and its characteristics, with comparisons to surrounding cities, Contra Costa County, and the Bay Area. The information in this section comes primarily from the U.S. Census Bureau, the California Department of Finance, and the Association of Bay Area Governments, but is supplemented by information from the City of Clayton and other sources.

HOUSING STOCK GROWTH AND COMPOSITION

In 1970, Clayton was a small town with only 354 housing units, all of which were single family homes. During the 1970s, the town underwent dramatic change. In the mid-1970s, A. D. Seeno Construction Company initiated a surge of new development in Clayton with the Regency Woods project, Clayton's first large subdivision development. As a result of this and other development in the mid- and late-1970s, Clayton's housing stock nearly quadrupled to 1,377 units by 1980. Building activity then slowed during the early 1980s. In 1987, the City annexed a large area north of the city, and the Presley Company began developing the Oakhurst Country Club area. At completion, this project is expected to add approximately 1,500 units to the city's housing stock. Also in 1987, Clayton annexed several existing unincorporated neighborhoods (i.e., Clayton Woods, Dana Hills, and Dana Ridge) which together added approximately 700 housing units to the city. Currently (1993), Clayton is considering a specific plan proposal for an 1,800-acre area to the east along Marsh Creek Road. The specific plan calls for a part of this area to be annexed to the city. Annexation and development of this area would add approximately 310 new units and 20 existing units to the city's housing stock.

According to the California Department of Finance, Clayton's housing stock in 1992 consisted of 2,344 detached single family units, 245 attached single family units, and 1 mobile home. While Clayton's housing stock nearly doubled between 1980 and 1992, the composition of the housing stock remained virtually unchanged.

Table II-11 summarizes the number and type of units in Clayton for the period 1980 through 1992.

TABLE II-11
NUMBER AND TYPE OF DWELLING UNITS
City of Clayton
1980-1992¹

Year	Total	Single Family	Percent of Total	Multi- Family²	Percent of Total	Mobile- Homes	Percent of Total
1980	1,377	1,373	99.7	0	0.0	4	0.3
1981	1,443	1,439	99.7	0	0.0	4	0.3
1982	1,430	1,426	99.7	0	0.0	4	0.3
1983	1,418	1,415	99.8	0	0.0	3	0.2
1984	1,424	1,421	99.8	0	0.0	3	0.2
1985	1,473	1,470	99.8	0	0.0	3	0.2
1986	1,514	1,512	99.9	0	0.0	2	0.1
1987	1,503	1,501	99.9	0	0.0	2	0.1
1988	2,200	2,199	99.9	0	0.0	1	0.1
1989	2,214	2,213	99.9	0	0.0	1	0.1
1990	2,291	2,289	99.9	0	0.0	2	0.1
1991	2,532	2,531	99.9	0	0.0	1	0.1
1992	2,590	2,589	99.9	0	0.0	1	0.1

Notes: ¹As of January 1, 1992

²These numbers have been adjusted based on information from the U.S. Census Bureau, the City of Clayton, and Contra Costa County. DOF reported 21 multi-family units in 1980, none in 1985, and 3 in 1990 through 1992. City and County records, however, indicate that no multi-family units have been demolished in Clayton during this period. One possible explanation is that multi-family units were really single family attached units (duets) that were misidentified as multi-family units. The U.S. Census Bureau reported no multi-family units in Clayton in 1990, and City records indicate no multi-family units have been built in Clayton. DOF estimates have been revised accordingly.

Source: California Department of Finance; City of Clayton; U.S. Census Bureau; J. Laurence Mintier & Associates

Table II-12 compares Clayton's housing stock in 1992 with those of other Contra Costa County cities. As the table indicates, Clayton is the only city in Contra Costa County with no multi-family units. The city does, however, have a significant number of higher-density, attached single family units, including townhouses, duets, and other types of zero-lot-line development. In all, 245 of Clayton's 2,590 single family units (i.e., nine percent) were attached single family units in 1992.

TABLE II-12
HOUSING STOCK COMPOSITION
Contra Costa County Cities
1992

	Total	Single Family	Percent of Total	2-4 Units	Percent of Total	5+ Units	Percent of Total	Mobile- Homes	Percent of Total
Antioch	22,286	18,408	82.6	1,970	8.8	3,543	15.9	365	1.6
Brentwood	2,993	2,299	76.8	140	4.7	323	10.8	231	7.7
Clayton	2,590	2,589	99.9	0	0.0	0	0.0	1	0.1
Concord	44,326	28,656	64.6	2,579	5.8	11,656	26.3	1,435	3.2
Danville	12,041	11,327	94.1	234	1.9	473	3.9	7	0.1
El Cerrito	10,348	7,636	73.8	1,299	12.6	1,339	12.9	74	0.7
Hercules	6,102	5,416	88.8	137	2.2	542	8.9	7	0.1
Lafayette	9,324	7,743	83.0	449	4.8	1,127	12.1	5	0.1
Martinez	13,137	9,969	75.9	983	7.5	2,171	16.5	14	0.1
Moraga	5,721	4,855	84.9	256	4.5	605	10.6	5	0.1
Orinda	6,560	6,293	95.9	33	0.5	230	3.5	4	0.1
Pinole	6,700	5,379	80.3	334	5.0	738	11.0	249	3.7
Pittsburg	17,094	11,795	69.0	1,431	8.4	3,229	18.9	639	3.7
Pleasant Hill	13,693	9,616	70.2	656	4.8	3,363	24.6	58	0.4
Richmond	35,736	22,710	63.5	5,156	14.4	7,812	21.9	58	0.2
San Pablo	9,562	4,952	51.8	1,229	12.9	2,566	26.8	815	8.5
San Ramon	13,931	10,433	74.9	553	4.0	2,937	21.1	8	0.1
Walnut Creek	30,495	16,078	52.7	3,485	11.4	10,916	35.8	16	0.1

Source: California Department of Finance

AGE AND CONDITION OF HOUSING

According to the U.S. Census Bureau, the median age of Clayton's housing was only 15 years in 1990. As a result, most of Clayton's housing stock is in good condition. There are, however, numerous older structures, some of which may need rehabilitation. A 1990 windshield survey indicated four units in the city were in need of repair or improvement, but no units were in need of replacement. Table II-13 shows the age of Clayton's housing stock.

TABLE II-13
YEAR STRUCTURE BUILT BY TENURE
City of Clayton
1990

Median Year Built = 1975

Year Built	Total Units	Percent	Total Occupied Units	Owner	Renter
1989 to 1990	89	3.8	82	82	0
1985 to 1988	139	5.9	139	134	5
1980 to 1984	215	9.1	215	210	5
1970 to 1979	1,376	58.3	1,354	1,238	116
1960 to 1969	372	15.8	372	338	34
1950 to 1959	123	5.2	123	123	0
1940 to 1949	18	0.8	18	18	0
Before 1940	29	1.2	29	22	7

Source: U.S. Census Bureau

HOUSING TENURE AND VACANCY RATE

Clayton is overwhelmingly a city of homeowners, with only 7.2 percent (i.e., 167 units) of its housing stock occupied by renters in 1990. Of these 167 units, 143 were single family detached units, 23 were single family attached units, and 1 was a mobilehome. By contrast to Clayton, 32 percent of Contra Costa County's housing stock was renter-occupied in 1990.

The vacancy rate provides a quantified measure of supply and demand. The rule of thumb is that an overall vacancy rate of 4.5 percent to 5.0 percent indicates a market reasonably well balanced between supply and demand. The Association of Bay Area Governments adopted 4.5 percent as a regional vacancy goal in its 1989 housing needs determination. The U.S. Census Bureau reports that Clayton's housing stock contained 2,361 year-round housing units in 1990, and that of these, 29 (i.e., 1.2 percent) were classified as vacant. Of these vacant units, 9 were for sale, 7 were for rent, and 13 others were classified as "rented or sold, not occupied," "seasonal," or "other vacant." In 1990, the overall vacancy rate for Clayton was 1.2 and the vacancy rate for rental units was 4.2.

High demand and short supply may result in continued use of units which are overcrowded, unsafe, unsanitary or otherwise unsuitable for residential use. It also generally results in high prices and rents which most severely affect lower-income households, people on fixed incomes, families with children and other special-need groups. Overcrowding and discrimination are also more likely to occur when the rental vacancy rate is low.

Table II-14 shows 1990 vacancy rates by housing type.

TABLE II-14
VACANCY BY HOUSING TYPE
City of Clayton
1990

Type of Unit	Total Units	Share of Total Units	Total Occupied Units	Vacancy Rate
SFD Detached	2,263	96.0	2,238	1.1
SFD Attached	94	3.9	90	4.2
2	0	0.0	0	0.0
3 or 4	0	0.0	0	0.0
5 or more	0	0.0	0	0.0
Mobilehome/Other	4	0.1	4	0.0
Total*	2,361	100.0	2,332	1.2

Notes: *DOF estimated 2,291 units in Clayton for January 1990, which is 70 units less than reported by the U.S. Census Bureau for April 1990. This difference is due to differences in how the Department of Finance and the U.S. Census count units under construction. DOF counts only housing available for sale or for rent; the U.S. Census Bureau counts all units which are enclosed, whether or not construction of the unit is complete.

Source: U.S. Census Bureau

During the 1980s, vacancy rates declined sharply throughout the Bay Area as demand significantly exceeded the availability of housing supply. Table II-15 shows gross vacancy rates for Clayton from 1980 through 1991. As the table indicates, vacancy rates in Clayton are the lowest in Contra Costa County and have been decreasing generally since 1980. The low vacancy rates in Clayton are largely attributable to the fact that Clayton's housing stock is made up predominately of owner-occupied housing which generally has lower vacancy rates than rental housing.

TABLE II-15
VACANCY RATES
Contra Costa County Cities
1980 - 1991
(Percent)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Antioch	4.51	3.93	3.88	3.10	3.68	3.07	3.78	3.93	3.91	3.41	2.04	6.31
Brentwood	4.07	5.08	5.15	4.19	4.49	4.47	6.05	7.82	6.72	6.64	6.91	3.69
Clayton	3.49	4.47	4.68	4.47	3.87	3.32	1.82	1.69	1.74	1.50	1.18	1.25
Concord	3.39	3.25	3.77	4.00	3.68	3.12	2.72	3.01	3.09	2.94	2.73	4.23
Danville	0.00	0.00	0.00	4.53	3.14	4.18	4.34	4.10	4.31	4.09	4.13	2.90
El Cerrito	1.99	2.11	1.73	1.03	1.34	1.45	2.11	1.18	1.94	2.34	2.62	3.58
Hercules	4.88	3.07	3.21	3.39	3.25	2.03	1.83	0.70	6.44	6.23	4.49	6.01
Lafayette	3.17	3.46	4.33	4.40	4.52	4.20	3.92	3.73	3.36	3.25	2.18	3.31
Martinez	4.60	5.36	6.98	6.99	6.37	5.97	4.29	2.74	2.47	2.89	2.96	3.38
Moraga	2.27	1.81	2.00	2.04	2.07	2.09	1.44	0.92	0.64	1.80	1.64	2.03
Orinda	0.00	0.00	0.00	0.00	0.00	0.00	2.17	1.83	1.62	1.65	1.55	2.78
Pinole	3.36	2.51	2.52	2.78	3.62	3.24	2.01	3.59	3.45	3.60	3.13	3.40
Pittsburg	7.04	7.94	6.65	6.84	5.33	5.45	5.04	4.23	4.32	6.21	6.08	5.76
Pleasant Hill	3.64	3.89	3.61	3.05	3.86	2.62	1.46	1.55	2.96	3.25	2.97	5.00
Richmond	3.35	3.39	3.39	3.90	4.12	4.26	3.47	4.21	4.03	4.97	4.60	4.69
San Pablo	4.88	4.82	4.12	4.10	4.94	4.96	6.03	4.87	5.51	5.28	5.35	7.05
San Ramon	0.00	0.00	0.00	0.00	4.76	5.69	2.78	3.00	2.94	2.12	1.71	4.77
Walnut Creek	4.17	3.94	3.73	3.88	4.00	3.78	3.38	2.61	2.88	2.88	2.35	5.48

Source: California Department of Finance

OVERCROWDING

An overcrowded housing unit is defined as one in which more than 1.01 persons per room resides (excluding bathrooms and kitchens). The 1990 Census reported that 16 of the owner-occupied housing units (0.7 percent) and 3 of the renter-occupied units (1.8 percent) were overcrowded in Clayton.

HOUSING COSTS, AFFORDABILITY, AND OVERPAYMENT

Housing Costs

Housing prices in Clayton, like those in other Contra Costa County cities, have increased dramatically since 1980. The 1980 Census reported median home value and median monthly contract rent in Clayton

at \$133,000 and \$458, respectively. By 1990, median home value and median monthly contract rent increased to \$302,300 and \$1,001, respectively. Clayton's 1990 median contract rent (\$1,001) is the highest of any city in Contra Costa County. This is due to the limited amount of rental stock in the city, all of which is in the form of detached single family units (i.e., 144 units renter-occupied) or attached single family units (i.e., 23 units renter-occupied). Table II-16 shows median home value and median contract rent for selected Contra Costa County cities, and Table II-17 shows average sales price for single family and condominium units.

TABLE II-16
MEDIAN VALUE AND MEDIAN CONTRACT RENT
Selected Contra Costa County Cities
1990

City	Median Home Value	Median Contract Rent
Alamo	\$500,001	\$936
Antioch	156,900	565
Brentwood	159,500	524
Clayton	302,300	1,001
Concord	195,300	618
Danville	359,200	999
Lafayette	393,200	714
Martinez	203,700	603
Moraga	404,700	833
Oakley	164,000	563
Orinda	432,200	946
Pacheco	166,700	666
Pinole	193,400	655
Pittsburg	138,900	566
Pleasant Hill	229,400	696
San Pablo	117,900	503
San Ramon	316,500	861
Walnut Creek	291,500	675
Contra Costa County	\$219,400	\$613

Source: U.S. Census Bureau

TABLE II-17

AVERAGE SALES PRICES
Selected Contra Costa County Cities
1989 and 1991

City	1989		1991	
	Single Family Home	Townhome/ Condominium	Single Family Home	Townhome/ Condominium
Alamo	\$554,340	\$191,793	\$636,044	\$205,250
Antioch	138,643	79,024	163,349	81,242
Clayton	266,399	149,483	287,128	183,111
Concord	189,362	84,889	204,856	104,885
Danville	375,259	176,511	373,820	205,700
Dublin	255,817	161,727	244,866	179,108
Lafayette	430,371	199,783	458,628	230,643
Martinez	192,141	116,730	213,779	155,155
Moraga	440,601	180,368	454,855	222,346
Orinda	461,155	280,050	487,247	311,800
Pittsburg	116,268	95,087	136,848	118,337
Pleasant Hill	321,147	139,327	242,880	162,990
San Ramon	302,422	155,154	297,977	185,773
Walnut Creek	\$309,749	\$134,987	\$326,160	\$153,306

Source: Contra Costa Association of REALTORS®

Affordability

Each year the United States Department of Housing and Urban Development (HUD) publishes income limits to be used in conjunction with federal housing programs. These statistics are reported by metropolitan statistical area (MSA) or by county where no MSA has been defined. State housing law requires that these HUD figures be used in defining income for various housing programs (see *Health and Safety Code § 50079.5*). Table II-18 shows the 1992 income limits for various size families.

TABLE II-18

**HUD INCOME LIMITS
Contra Costa County
1992**

Median Family Income = \$42,100

	1 Person	2 Person	3 Person	4 Person
Very Low Income (50% of median)	\$16,400	\$18,700	\$21,050	\$23,400
Lower Income (80% of median)	26,200	29,950	33,700	37,450
Median	32,750	37,450	42,100	46,800
Moderate (120% of median)	\$39,300	\$44,900	\$50,550	\$56,150

Source: U.S. Department of Housing and Urban Development; J. Laurence Mintier & Associates

Table II-19 illustrates home ownership affordability at various income levels. The table assumes a 10 percent down payment and a 30-year fixed-rate mortgage at 8.5 percent.

TABLE II-19

**OWNERSHIP AFFORDABILITY
1992**

Median Family Income = \$42,100

Family	Income ¹	Mortgage ²	Down Payment ³	Price of House
Very Low Income (50% of median)	\$21,050	\$68,441	\$7,605	\$76,045
Lower Income (80% of median)	33,700	109,570	12,174	121,745
Median	42,100	136,881	15,209	152,091
Moderate (120% of median)	\$50,550	\$164,355	\$18,262	\$182,617

Notes: ¹Income limit for a three-person family as defined by HUD in 1992, or as derived from HUD 1992 figures.

²Assumes 30 percent of income for house expense, 8.5 percent interest rate, 30-year mortgage.

³Assumes a 10 percent down payment.

Source: U.S. Department of Housing and Urban Development; J. Laurence Mintier & Associates

Table II-20 shows affordability for home and apartment rentals at various income levels. The table assumes 30 percent of income is available to pay rent.

TABLE II-20
RENTAL AFFORDABILITY
Contra Costa County
1992

Median Family Income = \$42,100

Family	Yearly* Income	Monthly Rent @ 30 %
Very Low Income (50% of median)	\$21,050	\$526
Lower Income (80% of median)	33,700	842
Median	42,100	1,053
Moderate (120% of median)	\$50,550	\$1,264

*Income limit for a three-person family.

Source: California Department of Housing and Community Development; J. Laurence Mintier & Associates

Conclusion

Ownership of the median-valued house in Clayton is affordable only for those families that earn well above 120 percent of median family income (i.e., \$302,300 median value versus \$182,617 price of affordable house at 120 percent of median income). While there are no statistics available on the median price of condominiums and halfplexes, the Contra Costa Board of Realtors reports on the average sales prices of these units (see Table II-17, above). It reported that the average-priced condominium and halfplex were marginally affordable to moderate-income families (i.e., \$183,111 versus \$182,617) in 1992. The median-priced rental unit in Clayton is affordable to median-income families and above (i.e., \$1,001 versus \$1,053).

OVERPAYMENT FOR HOUSING

Overpayment for housing was calculated using data from the U.S. Census Bureau and HCD guidelines for calculating overpayment, and is based on a rule of thumb that up to 25 percent of income spent on housing is "affordable." In 1990, 65.2 percent of the city's low-income owner households paid more than 25 percent of their income for housing, and 100 percent of the low-income renter households paid more than 25 percent. These are substantially higher percentages than for Contra Costa County or California as a whole and are another indication that Clayton has a housing affordability problem. Table II-21 shows the number of households (both owners and renters) who paid more than 25 percent of their income for housing in 1990.

TABLE II-21

OVERPAYMENT FOR HOUSING LOW-INCOME HOUSEHOLDS PAYING MORE THAN 25% OF INCOME ON HOUSING 1990

	Number of Low-Income Households Owning	Number of Low-Income Households Renting	Number of Low-Income Households Overpaying (Owners)	Number of Low-Income Households Overpaying (Renters)	Proportion of Low- Income Owners Overpaying	Proportion of Low- Income Renters Overpaying
Clayton	242	57	158	57	65.2%	100.0%
Contra Costa County	43,501	58,506	22,674	48,330	52.1%	82.6%
California	1,091,703	2,629,794	574,817	2,262,122	52.7%	86.0%

Source: J. Laurence Mintier & Associates, U.S. Census Bureau

HOUSING NEEDS

INTRODUCTION

Under the state housing element requirement, housing needs are defined according to three categories: existing needs, projected needs, and special needs. The previous section identifies the following existing needs:

- Overcrowding (1990) -- 19 overcrowded units
- Substandard Units (1990) -- 4 units needing rehabilitation
- Overpayment (1990) -- 215 low-income households overpaying for housing

CLAYTON'S SHARE OF PROJECTED REGIONAL NEEDS

To assist local governments in the San Francisco Bay Area in making projections of future housing needs, ABAG, in January 1989, issued its regional *Housing Needs Determinations* for the period January 1, 1988, to April 1, 1995. The purpose of the document is to examine housing needs on a regional basis and to allocate to every city and county responsibility for planning to meet its share of those needs.

ABAG's determination of local fair share of regional housing needs takes into consideration the following factors: market demand for housing; employment opportunities; availability of suitable sites and public facilities; commuting patterns; and the type and tenure of housing. For each jurisdiction, ABAG calculated the 1988 existing need, defined as the shortfall between the actual vacancy rate in the city and the optimal vacancy rate of 4.5 percent (which is a regional goal), and then determined a projected housing need to 1995 based on the number of units needed to accommodate projected household growth between 1988 and 1995 and the additional units needed to achieve the optimal vacancy rate. Table II-22 shows existing and projected housing needs for Clayton.

TABLE II-22
EXISTING AND PROJECTED HOUSING NEEDS
City of Clayton
1988-1995¹

Existing²	1988-90³ Projected Need	1990-95⁴ Projected Need	Total Projected Need
71	71	170	241

Notes: ¹January 1, 1988 to April 1, 1995

²The difference (expressed in housing units) between the number of units actually available in Clayton as of January 1, 1988, and the number of units that should have been available as of January 1, 1988, based on an optimal vacancy rate of 4.5 percent

³The number of units needed to accommodate Clayton's projected growth (according to ABAG) for the 1988-1990 period.

⁴The number of units needed to accommodate Clayton's growth (according to ABAG) for the 1990-1995 period.

Source: Association of Bay Area Governments

ABAG breaks down total 1988-1995 housing needs according to four income categories: very low, low, moderate, and above moderate. The percentage of households within each income category was determined by ABAG based upon averaging the city's percentage distribution with the county's and region's percentage distributions. ABAG's need determination for Clayton is shown in Table II-23.

TABLE II-23
PROJECTED HOUSING NEED BY INCOME CATEGORY
City of Clayton
1988-1995

Very Low¹	Low²	Moderate³	Above⁴ Moderate	Total
39	29	39	134	241
16%	12%	16%	55%	100%

Notes: ¹Units for households earning less than 50 percent of median income

²Units for households earning between 50 and 80 percent of median income

³Units for households earning between 80 and 120 percent of median income

⁴Units for households earning more than 120 percent of median income

Source: Association of Bay Area Governments

For planning purposes, these ABAG figures need to be adjusted to reflect the units that have been issued building permits between January 1, 1988 (the starting point for ABAG's 1988-1995 needs determination) and January 1, 1992. Table II-24 shows modified need projections based on this adjustment.

TABLE II-24
ADJUSTED HOUSING NEED PROJECTIONS
BY INCOME CATEGORY
City of Clayton
1988-1997

	Very Low¹	Low²	Moderate³	Above⁴ Moderate	Total
ABAG Needs					
Projection	39	29	39	134	241
Building Permits (January 1988 to January 1992)	20 ⁵	3 ⁶	2 ⁷	385	410
Balance of Need	19	26	37	0	82

Notes: ¹Units for households earning less than 50 percent of median income

²Units for households earning between 50 and 80 percent of median income

³Units for households earning between 80 and 120 percent of median income

⁴Units for households earning more than 120 percent of median income

⁵This represents the 20-unit project at 1730 Kirker Pass Road (i.e., Kirker Court) built by Housing for Independent People (HIP), designed for very low-income persons who are mentally disabled (approved after January 1992).

⁶This represents second units approved by the City for the elderly

⁷This represents townhome units reported by the developer to have sold for approximately \$175,000.

Source: Association of Bay Area Governments; City of Clayton

In 1993, the State Legislature extended the current housing element planning period for all local governments by two years (AB 2172). Thus, the balance of the need projection is for the period January 1, 1992, through July 1, 1997.

SPECIAL NEEDS

Beyond the general housing needs documented in the previous sections, state law requires that the housing element include an assessment of the housing needs of special groups within the community, including the elderly, households headed by single women, the disabled, large families, families and persons in need of emergency shelter or transitional housing, and farmworkers. Currently, the greatest special need in Clayton is housing for elderly and large families.

Elderly

The U.S. Census Bureau reported that in 1990 approximately 14 percent (1,034) of Clayton's population was over 55 years of age, approximately 5 percent (381) was over age 65, and 1 percent (110) was over

age 75. For Contra Costa County as a whole, these percentages were 19 percent, 11 percent, and 4 percent, respectively. Of the 2,315 households in Clayton, 218 (9 percent) were headed by persons age 65 or older. Thirteen of these (6 percent) were renter households and 205 of these (94 percent) were owner households. The U.S. Census Bureau also reports 50 one-person, elderly households and 239 two-or-more-person, elderly households (age 65 or over) in Clayton. Seven of the one-person, elderly households and seven of the two-or-more-person, elderly household were living below the poverty level in 1990.

Although the proportion of Clayton's population that is elderly is smaller than that of Contra Costa County as a whole, the housing needs of the elderly population will continue to grow as the population of Clayton ages. Proportionally, the senior population in Clayton did not grow significantly between 1970 and 1980. Data from the U.S. Census Bureau, however, shows that the 65+ category was 5.4 percent of the total population in 1990, up from 3.0 percent in 1980. ABAG's *Projections '90* indicates that for Contra Costa County the proportion of the population over the age of 65 is expected to grow from 9.9 percent to 11.2 percent between 1990 and the 2005, while the proportion of the population under the age of 15 will continue to fall.

Housing costs have escalated rapidly since 1980, making housing costs a very high proportion, and in some instances all, of an elderly person's Social Security Insurance payment. Many senior citizens live on fixed incomes and have limited resources for maintenance and rehabilitation. Consequently, needed maintenance is often deferred, resulting in unpleasant or sometimes unsafe living conditions. In some instances home maintenance costs can be overwhelming, necessitating sale and relocation after many years of attachment to friends and neighbors in the area. There is a need not only to preserve for future generations the housing stock currently occupied by senior citizens but also to ensure that elderly residents are able to remain in safe and comfortable surroundings.

The increased longevity of elderly people and the increasing number of elderly in the population will result in an increasing need for affordable housing and specialized housing for older residents (especially low- and moderate-income elderly) such as secondary residential units, congregate care, life care services, and group care facilities. A quality elderly facility could provide an alternative to persons living in large houses in the community.

Currently, the Concord Housing and Community Services Department responds to elderly needs in Clayton by publishing a list of housing facilities for the elderly, providing low interest loans for household repairs, and paying an emergency rebate for home repairs. The Department also provides referrals to non-profit organizations such as Meals-on-Wheels.

Households Headed by Single Women

Women with low and moderate incomes, especially single parents, face significant difficulties finding and maintaining housing. Housing affordability is a primary issue because frequently only one income is available to support the needs of the household and only a limited amount of funds can be allocated to housing. While some of these households may find housing assistance through the Section 8 Rental Assistance Program, many others are victims of high rent and/or overcrowded conditions. Although there is a continuing need for affordable rental housing for small families, there is also a need for shared housing and group living alternatives where single-parent families can share not only space but child care and other resources as well.

According to the U.S. Census Bureau, 11.9 percent of the city's households were headed by women (277 of 2,332) in 1990. Of all households with children under 18 present, 8 percent (92 of 1,148) were headed by a single woman. Of the households headed by a single woman, none were below the poverty level. In Contra Costa County as a whole, 26.7 percent of households were headed by a woman (80,337 of 300,288). Of all households with children under 18 present, 19.6 percent (21,621 of 110,078) were headed by a single woman. Of households headed by a single woman, 43.9 percent were below the poverty level.

Disabled Persons

According to the U.S. Census Bureau, 232 persons (4.6 percent) of the total 5,070 persons between the ages of 16 and 64 had a work disability; 229 (4.5 percent) had a public transportation disability. Of the 381 persons over the age of 65, 89 (23.4 percent) had a public transportation disability.

Special needs of disabled persons vary depending upon each person's disability. For example, the needs of a blind person differ greatly from those of persons reliant on a wheelchair. Special facilities such as ramps, elevators or specially designed restrooms necessary for wheelchair access are architectural features needed to make dwellings suitable for persons reliant on a wheelchair. Special features needed by ambulatory persons constrained by other disabilities may not be architectural. Instead, these might be simple alterations to conventional units for furnishing and appliances which make ordinary tasks of housekeeping and home life less trying and more enjoyable. In families, the needs of the disabled person are fewer than those of a single person. Nevertheless, a disabled person in a family still has special needs. Special architectural features can be valuable in giving disabled persons a greater independence, dignity, and quality of life.

Information on the number of persons in Contra Costa County with developmental disabilities is available from client case figures of the Regional Center of the East Bay (RCEB), which serves the disabled population both in Contra Costa and Alameda Counties. As of August 1990, RCEB had 5,564 active clients, 500 more in the process of becoming clients, and 1,400 inactive client cases. RCEB estimates that there are about 2,500 known persons in Contra Costa County with developmental disabilities. In addition, there are 700 county residents living in the State Developmental Center system who are not counted by the Regional Center since they have not applied for services. The Contra Costa Association for Retarded Citizens estimates that one in every ten families has a member with a developmental disability.

The George Mueller Center in Concord is funded through the East Bay Regional Center which refers developmentally disabled adults and children ages infant to 3 years to the center for classes. In 1992, the George Mueller Center reported that one resident from Clayton attended classes. Housing for Independent People (HIP), a San Jose-based non-profit housing development corporation specializing in the needs of disabled persons, is currently (1993) developing a 20-unit, very low-income project for mentally disabled persons in Clayton.

Family Housing

Family housing encompasses a wide range of housing needs. These include female-headed households (discussed earlier) and large families (with 5 or more persons). Specific needs include young adults and single parents who generally have lower earnings that can exclude them from the housing market. In 1990, 49 percent (1,148 of 2,332) of all households in Clayton had children under 18 present. Of these, 27.7 percent (318 of 1,148) were large households with five or more persons.

Large families generally require bigger houses and apartments, and Clayton's housing stock has a high proportion of large houses. Over 66.7 percent (1,575 of 2,361) of all housing units in the city have four bedrooms or more. Of these, 82 units were renter occupied in 1990.

Families and Persons in Need of Emergency Shelter or Transitional Housing

Throughout the country, homelessness has become a major concern. Factors contributing to the increase in homeless persons and families and those in need of transitional housing include:

- The lack of housing affordable to very low and low income persons
- Increases in unemployment or under-employment
- Reductions in government subsidies
- Deinstitutionalization of the mentally ill
- Domestic violence
- Drug addiction
- Dysfunctional families

The housing needs of homeless persons are more difficult to measure and assess than those of any other population subgroup. Since these individuals have no permanent addresses, they are not likely to be counted in the census, and since they are unlikely to have stable employment, the market provides few housing opportunities. The 1990 Census reported that there were no homeless persons visible in street locations in the City of Clayton in 1990, and the Clayton Police Department reported that it handled no calls nor encountered any persons on the street who were in need of emergency housing in 1991. Contra Costa County Social Services Department, however, reported that it provided general assistance (i.e., assistance for indigent single adults) to 5,180 persons in the county in 1991, and that of this total, six persons were from the Clayton area (i.e., Clayton and surrounding unincorporated areas in East Contra Costa County). Also, the Battered Women's Alternative reported that of the total number of persons/families housed at its Concord facility in 1991, 29 were from the Clayton area. In a recent telephone interview (May 1993) with administrators of the Contra Costa County's general assistance program and the Concord Battered Women's Alternative, the Consultant confirmed that one does not have to be homeless to qualify for general assistance or assistance from the Concord Battered Women's Alternative. Furthermore, there is no other indication that persons receiving these kinds of assistance in the Clayton area are homeless. Accordingly, there appear to be no confirmed cases of homelessness in Clayton.

There are no shelter facilities in Clayton, but there are six shelter facilities throughout Contra Costa County which together provide approximately 335 beds for homeless people. There is also a 24-bed facility for victims of domestic violence at the Battered Women's Alternative located in Concord.

Farmworkers

The 1990 Census reported 50 Clayton residents who were employed in farming, forestry, fishing, and mining industries. There is a mining operation near Clayton, and therefore it is likely that a majority of

people who are reported to work in this category are in the mining trades. Because agricultural areas are relatively distant from Clayton, it is unlikely there are any farmworkers living in Clayton.

Summary of Special Needs

There are two special needs groups that deserve continued attention in Clayton--elderly households and single-parent households. First, there is a significant population of elderly persons. A significant proportion of these elderly persons live alone and a small proportion have incomes below the poverty level. While elderly households are a smaller proportion of the total households in Clayton than elderly households in Contra Costa County as a whole, these households have special needs that should be addressed. Second, there is a significant population of single mothers with children. Again, this population is a smaller proportion of the total than single women with children in Contra Costa County as a whole. Nonetheless, these households have special needs that should be addressed.

Other special needs groups, while not unimportant, appear to be adequately provided for. There are very few disabled persons, and Clayton has recently initiated a 20-unit project for mentally-disabled persons; family housing is abundant in Clayton, although only a very limited supply is available for rental; there appear to be no homeless persons; and there appear to be no farmworkers living in Clayton.

ASSISTED HOUSING DUE TO CONVERT TO NON-LOW-INCOME HOUSING

Starting in 1992, housing elements are required by state law to include an inventory and analysis of assisted multi-family housing units due to convert to market-rate housing. The inventory is to cover all units for which subsidies are due to expire within the period starting at the statutory date for housing element revision and running for the following 10-year period. The statutory revision date for Clayton's Housing Element was July 1, 1990; the end of the required 10-year period for analysis of assisted housing units is, therefore, July 1, 2000. Most low- and moderate-income housing units assisted through either a federal, state, or local housing program qualify as assisted housing.

There are no assisted housing developments in Clayton that are eligible to convert to non-low-income housing during the ten-year period from July 1, 1990, through July 1, 2000. The recently initiated 20-unit HIP project is considered assisted housing, but subsidies for this project are not due to expire for 60 years.

AVAILABILITY OF LAND AND SERVICES

This section evaluates the potential additional residential development which could occur under the City's General Plan and zoning on vacant and underutilized land. This section also evaluates the availability of public services and facilities to accommodate residential growth.

VACANT LAND FOR RESIDENTIAL DEVELOPMENT

Vacant Residential Sites

According to a survey completed by City staff in June 1992, Clayton has approximately 427 acres of vacant land currently zoned for residential use. This land can accommodate 1,631 units at maximum zoned densities including density bonus units on selected sites. Of these 427 acres, 20.3 acres are zoned for multi-family housing (i.e., up to 15 units per acre).

In addition to existing vacant residential land, Clayton also has identified approximately 34 acres of non-residential land that may be appropriate for general plan redesignation and rezoning. If redesignated and rezoned, these 34 acres could yield an additional 104 units of housing, 65 units of which would be developed as multi-family housing at densities of up to 15 units per acre. Table II-25 shows the land currently available for residential use in Clayton, and Table II-26 shows sites available for general plan redesignation/rezoning to residential use. Figure II-1 shows the location of these sites.

TABLE II-25

EXISTING VACANT RESIDENTIAL PROPERTY
June 1992

II-32

MAP REF.	SITE NAME/ APN	ACRES	G.P. DENSITY	ZONING	# OF UNITS	COMMENTS
1	Town Center site	3.2 ac	Multi-family, medium density (10.1 to 15 du/ac)	PUD	60 units	Assumes maximum density with a density bonus of 25 percent
2	Lemke Site	9.1 ac	High-density residential (5.1 to 7.5 du/ac)	PUD	68 units	No density bonus assumed for this site.
3	Verna Way	0.7 ac	Low-density residential (1.1 to 3.0 du/ac)	R-15	4 units	
4	Mitchell Canyon #1	6.5 ac	Low-density residential (1.1 to 3.0 du/ac)	R-15	19 units	
5	Mitchell Canyon #2	4.5 ac	Low-density residential (1.1 to 3.0 du/ac)	R-15	13 units	
6	Pine Terrace	1.0 ac	Medium-density residential (3.1 to 5.0 du/ac)	PUD	4 units	Has preliminary plan approval
7	Oakhurst Project	204.8 ac	Low-density residential (1.1 to 3.0 du/ac) to multi-family, low-density (7.6 to 10.0 du/ac)	PUD	1,139 units	Total Oakhurst project buildout is 1,486 units. As of December 1992, 347 units have been completed or are under construction, leaving 1,139 units to be built of which 820 are single family, 63 are duet units, and 256 are townhouses or condominiums on 17.1 acres.
8	Oakwood Project	11.5 ac	Low-density residential (1.1 to 3.0 du/ac)	PUD	14 units	Has final plan approval
9	Marsh Creek Road Specific Plan	186.0 ac	Ranchette residential, suburban residential (0.2 to 3 du/ac)	Various	310 units	Final adoption of the <i>Marsh Creek Road Specific Plan</i> and annexation is expected by the end of 1993
	TOTAL	427.3 ac			1,631 units	

Sources: City of Clayton; J. Laurence Mintier & Associates

TABLE II-26

**SITES AVAILABLE FOR GENERAL PLAN REDESIGNATION/REZONING
1990-1995**

MAP REF.	SITE NAME/ APN	ACRES	G.P. DENSITY	ZONING	# OF UNITS	COMMENTS
A	Easley Property	6.0 ac	Medium-density residential (3.1 to 5.0 du/ac)	AG	30 units	Property needs to be rezoned for medium-density residential use. No density bonus assumed for this site.
B	Seminary Site	24.2 ac	School/Private	PUD	9 units	Residential use would require General Plan Amendment. Appropriate for Rural Estate Residential use (0.2 to 1.0 du/ac); Assumes site will develop at 0.4 du/ac due to significant site constraints
II-33 C	Misc. Town Center Sites	3.5 ac	Multi-family, medium density (10.1 to 15 du/ac)	PAO	65 units	PAO = Professional-Administrative Office District. Assumes maximum density with a density bonus of 25 percent
	TOTAL	33.7 ac			104 units	

Source: City of Clayton; J. Laurence Mintier & Associates

Second Units

In addition to vacant sites available or potentially available for residential use, Clayton also allows the development of second units. Under the City's existing *Zoning Ordinance*, development of second units is permitted with a land use permit on lots 20 percent larger than the minimum required lot size for the zoning district. The City also follows the requirements of state law (Government Code Section 65852.1) in allowing second units for persons 62 years of age and older on any residential lot subject to use permit approval. Second units, therefore, represent a modest potential for development of smaller units that would be affordable to lower-income households. The City estimates that an additional 30 units could be developed as second units on existing residential lots in the city.

Conclusion

Clayton has available in a variety of forms sufficient vacant and appropriately-zoned sites to accommodate approximately 1,668 units of new housing. Table II-27 summarizes this development potential, making assumptions about the income categories that could be accommodated by the various new units.

TABLE II-27

SUMMARY OF ADEQUATE SITES
Potential Number of Units by Income Category
City of Clayton
June 1992

Type of Site	Very Low	Low	Moderate	Above Moderate	Total
Existing, Vacant Residential Sites					
Multi-Family, Medium-Density Sites	0	0	60	0	60
Multi-Family, Low-Density Sites	0	0	40 ¹	0	40
High-Density Sites (Single Family)	0	0	0	291	291
Medium-Density Sites (Single Family)	0	0	0	67	67
Low Density Sites (Single Family)	0	0	0	870	870
Suburban Residential Sites	0	0	0	304	304
Ranchette Sites	0	0	0	6	6
Second Units	0	30	0	0	30
Total	0	30	100	1,538	1,668
ABAG Fair Share Allocation²	19	26	37	0	82
Deficit/Surplus	-19	+4	+63	+1,538	+1,586

Note: ¹The Oakhurst Project site has sufficient remaining vacant sites to develop 1,139 units of housing. Approximately 256 of these units are townhouses and condominiums, 40 of which are designed to sell for between \$170,000 to \$180,000. This price would make the units affordable to moderate-income households.

²See Table II-24

Source: City of Clayton; J. Laurence Mintier & Associates

According to Table II-27, The City of Clayton has adequate sites to accommodate the housing needs of low-, moderate- and above moderate-income households, but lacks sufficient sites to accommodate the housing needs of very low-income households without significant subsidies. In the very low-income category the city lacks sites for 19 units. In the aggregate, however, the city has adequate sites to accommodate 1,586 units beyond its fair share housing allocation.

AVAILABILITY OF SERVICES

Wastewater Treatment and Collection

Public sanitary sewer treatment for the City of Clayton is provided by the Central Contra Costa Sanitary District (CCCSD). Sewage is conveyed through gravity sewer lines and pumping stations to the District's treatment plant located at the intersection of Highway 4 and I-680. Treated effluent is discharged directly into Carquinez Strait.

The CCCSD treatment plant is currently (June 1992) treating approximately 36 million gallons of sewage per day (mgd), with a total capacity of 45 mgd. Wet weather flows are higher and are somewhat diluted due to the infiltration of rainwater into the system. Based on the rate of growth and the corresponding increase in sewage flow within the service area during recent years, District officials expect that remaining capacity will be sufficient until 1995 or 1996. Continued development will ultimately require the provision of additional treatment capacity.

The City of Concord Public Works Department operates and maintains Clayton's sanitary sewer collection system, although the collection lines are actually owned by the City of Clayton. Concord transports Clayton's sewage downstream through its system of trunk sewers and pumping stations to the CCCSD treatment plant. CCCSD charges the City of Concord a per gallon fee for sewage treatment and for new service connections. Concord passes these costs along to all of its sewer customers, including those in Clayton, along with additional charges for the operation and maintenance of the collection system. The connection fee for a single family home is currently (June 1992) \$2,385.

The Concord Public Works Department recently completed a capacity study of Clayton's main collection system. Although the study has not yet been finalized, a preliminary draft indicates there are several segments of main collector line in Clayton that are currently operating over design capacity during periods of peak sewage flow. The report identifies these impacted segments as: the downstream reach of the El Molino Drive main, the upstream portion of the El Molino Drive system along El Portal Drive, and the Mt. Diablo Creek trunk line (once the Oakhurst project is built). The report recommends parallel construction of some lines and construction of connections to the City of Concord's collection system.

The CPWD study was based on theoretical loads and capacities derived from a sewer collection model. Since the time that CPWD finalized its study of Clayton's main collection system, Clayton has been attempting to verify the result of the study. The 1992-93 rain season did not result in any of the capacity problems predicted by the CPWD study. If the study results are verified in the future, the City will take appropriate action to correct any problems. Such improvements may be funded by the Clayton Redevelopment Agency, through impact fees, or through developer off-site requirements.

Capacity limitations in the El Portal Drive area will need to be addressed before development of the Marsh Creek Road Specific Plan Area, and associated costs will be borne in large degree by the developers. The cost of improving Clayton's main collection system will add to the cost of developing housing in the Marsh Creek Road Area and could have a constraining effect on the development of moderate-income

housing in that area. Capacity limitations along El Portal Drive and the Mt. Diablo Creek trunk line will not effect development of any Affordable Housing Opportunity Site. There are no capacity limitations in other areas of the city.

Many areas in Clayton are without sewer service and rely instead on septic tank systems. The Clayton Redevelopment Agency plans to spend approximately \$3 million to provide 700 homes with sewer service. The City Engineer expects the project to be complete by FY 96-97.

Water

Public water supply, treatment, storage, and distribution in the city are provided by the Contra Costa Water District (CCWD). CCWD obtains its water from Rock Slough, near Oakley, in the Delta, under the terms of a contract with the federal government. Contra Costa Water District (CCWD) officials, in a recent telephone interview (May 1993), indicate that CCWD currently has 195,000 acre-feet of water under contract. To date, the maximum amount of water consumed in one year (i.e., 1989) by CCWD customers was 130,000 acre-feet. This means there is 65,000 acre-feet of unused water capacity in the CCWD water system, which is more than sufficient to meet the short-term (i.e., five to ten year) demand of the CCWD service area including Clayton.

Water distributed by CCWD in the Clayton area is treated at the District's Bollman plant on Highway 4. The plant's maximum capacity is currently (June 1992) 65 million gallons per day (mgd), which is sufficient for current levels of demand within its service area. CCWD officials report that the Bollman treatment plant, in its present configuration, can be expanded to a maximum capacity of 95 mgd, which is sufficient to handle increased water demand in Clayton well beyond 1995. If development occurs east of the city, it is likely to require additional water supply and distribution facilities, including reservoirs, pumping stations and distribution lines.

Future treatment plant expansions and system-wide facility improvements are partially funded through the District's connection fee. The fee is based on the size of the new connection's water meter. The connection fee for a typical single-family home currently is \$5,430. Local Fire District regulations require all homes on the east side of Clayton to have a 1-inch meter to supply a mandatory fire sprinkler system, but CCWD charges the 5/8-inch rate for a 1-inch meter under these circumstances. The District designs all water system expansions, prepares the construction plans, supplies the materials, and supervises construction, at the developer's expense. Installation is generally the responsibility of a developer. Upon completion, the new pipelines and appurtenances become CCWD property.

LAND USE CONTROLS AND GOVERNMENTAL CONSTRAINTS

INTRODUCTION

While local governments have little influence on such market factors as interest rates, their policies and regulations can affect both the amount of residential development that takes place and the affordability of housing. Since governmental actions can constrain development and affordability of housing, state law requires the housing element to "address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (*Government Code* § 65583(c)(3)).

The City's primary regulations affecting residential development and housing affordability include the *Land Use Element* of its *General Plan*, the *Zoning Ordinance*, and the City's processing procedures, standards, and fees related to development.

GENERAL PLAN

The City of Clayton's principal land use policy document is the *General Plan*. The current General Plan was adopted in 1985 and revised in 1987. The *1985 General Plan* has eight land use designations that allow for residential use. These are as follows:

- Rural Estate: This category allows single-family detached estates up to a density of 1.0 units per gross acre.
- Low Density: This category allows single-family detached houses up to a density of 3.0 units per gross acre.
- Medium Density: This category allows planned unit developments and single family subdivisions up to a density of 5.0 units per gross acre.
- High Density: This category allows urban single-family units up to a density of 7.5 units per gross acre. Patio homes, zero lot line homes, and cluster homes in a PUD development are permitted.
- Multi-family Low Density: This category allows multi-family residences up to a density of 10.0 units per gross acre.
- Multi-family Medium Density: This category allows multi-family residences up to a density of 15.0 units per gross acre.
- Institutional Density: This category allows various forms of elderly housing with no density standard. It is assumed that densities can exceed 15 units per gross acre when possible impacts can be mitigated.
- Town Center Commercial: This category is further defined by the *Town Center Specific Plan*. The Specific Plan identifies areas suitable for multi-family, medium-density housing.

In summary, the *Clayton General Plan* provides for single and multi-family housing in a range of densities from 1.0 unit to 15 units per gross acre. The relatively low residential densities (i.e., maximum 15 units

per gross acre) require that any housing built for lower-income families be subsidized. Without such subsidies, these low density limitations may constrain the development of affordable housing in Clayton.

TOWN CENTER SPECIFIC PLAN

In March 1990, the City of Clayton adopted the *Town Center Specific Plan* which expanded the original Clayton Town Center Area by approximately 15 acres. The *Specific Plan* designates a combination of commercial and residential land uses for the Clayton Town Center Area that allows multi-family development at up to 15 units per gross acre. There are approximately 3.7 acres in the Town Center available for multi-family residential development.

ZONING

In accordance with state law, cities and counties have broad latitude in establishing zoning standards and procedures. Outside of a general requirement for open space zoning and several special requirements governing residential zoning, state law establishes only broadly the scope of zoning regulation and sets minimum standards for its adoption and administration.

Residential Zoning

Clayton's *Zoning Ordinance* includes nine zoning districts which allow residential development. The maximum residential density allowed is one unit per 3,000 square feet of lot area in the M-R District, which is approximately 15 dwelling units per net acre. The M-R District requires a minimum of 25 percent of the lot area to be landscaped. Clayton's *Zoning Ordinance* requires a site plan permit for multi-family development in the M-R zone and preliminary and final plan approval for PUD development. Multi-story single family development requires a site plan permit; single-story single family development requires only a building permit. The *Zoning Ordinance* provides for small lot and zero lot line development in the PUD District. Table II-28 summarizes the development standards for each residential zoning district.

TABLE II-28

DEVELOPMENT STANDARDS
City of Clayton
1992

Zoning District	Minimum Lot Area Per Dwelling	Front Yard Setback	Minimum Setback/Rear Yard Area	Combined Side Yard Setback	Second Units Allowed
R-10	10,000 s.f.	20 feet	15-foot setback	20 feet	Yes
R-12	12,600 s.f.	20 feet	1,800 s.f.	25 feet	Yes
R-15	15,000 s.f.	20 feet	2,000 s.f.	25 feet	Yes
R-20	20,000 s.f.	25 feet	2,500 s.f.	35 feet	Yes
R-40	40,000 s.f.	40 feet	2,800 s.f.	40 feet	Yes
R-40-H	40,000 s.f.	40 feet	2,800 s.f.	40 feet	Yes
M-R	3,000 s.f.	20 feet	15-foot setback	35 feet	Yes
PUD	Underlying GP designation	n/a	n/a	n/a	Yes
PAO*	3,000 s.f.	20 feet	15-foot setback	35 feet	Yes

Note: *Professional Administrative Office District

Source: City of Clayton Zoning Ordinance

Second Units

A second unit is an additional self-contained living unit, either attached to or detached from the primary residential unit on a single lot. It has cooking, eating, sleeping, and full sanitation facilities. To encourage establishment of secondary units on existing developed lots, state law requires cities and counties to either adopt an ordinance based on standards set out in the law authorizing creation of second units in residentially-zoned areas, or where no ordinance has been adopted, to allow second units by use permit if they meet standards set out in the law. Local governments are precluded from totally prohibiting second units in residentially-zoned areas unless they make specific findings (*Government Code § 65852.2*). Second units can be an important source of affordable housing since they can be constructed relatively cheaply and have no associated land costs. Second units can also provide supplemental income to the homeowner, thus allowing the elderly to remain in their homes or moderate-income families to afford houses.

Clayton has a second unit ordinance that provides for second units on lots 20 percent larger than the minimum required lot size for the zoning district. The ordinance requires use permit review for second units and limits the size of such units to 40 percent of the floor area of the primary unit up to a maximum of 1,000 square feet. The City also follows the requirements of state law (*Government Code Section 65852.1*) in allowing second units for persons 62 years of age and older on any residential lot subject to use permit approval. The City has approved three second units since 1988.

MANUFACTURED HOUSING

Clayton's *Zoning Ordinance* makes no specific provision for manufactured houses or mobilehome parks, but the City follows state law regarding manufactured housing and mobilehome parks allowing manufactured housing and mobilehome parks on any residential lot subject only to the standards applicable to site-built housing.

GROWTH MANAGEMENT PROGRAM (MEASURE C)

On November 8, 1988, Contra Costa County voters approved a 1/2 cent sales tax increase to help fund a transportation improvement and growth management program. This program is intended to address existing congestion problems by providing funding for new projects and to establish a process involving all of the cities in Contra Costa County including Clayton, to cooperatively manage the impacts of growth in the county.

The overall goals of the program are to relieve congestion created by past development through road and transit improvements that will be funded by the sales tax increase, and to prevent future development decisions from resulting in deterioration of services in the county. To be eligible for sales tax funds, the Growth Management Program requires each participating city, town, and the County to take the following actions:

- Adopt a separate growth management element of the general plan to address the impacts of growth;
- Establish a commitment to manage congestion by adopting and applying traffic service standards which will ensure that new development will not significantly worsen traffic on streets, roads, and regional routes;
- Adopt standards for fire, police, parks, water, flood control, and sanitary sewer facilities which will be met as areas grow. This is accomplished by the specification of "performance standards" for provision of necessary facilities;
- Reduce dependency on the single-occupancy automobile through use of transportation systems management (TSM) for each jurisdiction's large employers or an alternative mitigation program for areas that are primarily residential in character;
- Anticipate needed investments by adopting a five-year capital improvement program that lists projects, their costs, and funding mechanisms;
- Ensure that new development pays its own way through mitigation and fee programs;
- Reduce the number and/or length of automobile commute trips by addressing housing options and job opportunities at the local, regional, and countywide level; and
- Adopt a housing element certified by the California Department of Housing and Community Development..

The Contra Costa Transportation Authority is responsible for ensuring that these objectives and requirements are met. Every year, it evaluates whether each city, town, and the County is participating

fully, based on a compliance checklist. Each year that a locality is found in compliance with the Growth Management Program, it receives a share of the sales tax increase that will be used for local street improvements and related activities.

The City of Clayton adopted a growth management element for its General Plan pursuant to the requirements of Measure C in April 1992. This element establishes goals, policies, and standards for traffic service and other public facilities and services. Specifically, the element requires large developments to prepare traffic studies and prohibits the City from approving projects that will cause levels of service at any designated intersection to fall below the standards set in the element (i.e., level of service D). The element also sets standards for police emergency response time (i.e., five minutes), parks (i.e., 10 acres per thousand persons), fire emergency response time (i.e., three minutes), sanitary sewers (i.e., Central Contra Costa County Sanitary District standards), water services (i.e., Contra Costa Water District standards), and flood control (i.e., protection from the 100-year flood event as defined by FEMA). In effect, the standards contained in the growth management element formalize mitigation measures that are typically required under CEQA on an ad hoc basis. None of these standards are expected to constrain housing development in Clayton beyond the level currently imposed by state environmental regulation.

DEVELOPMENT PROCESSING PROCEDURES, STANDARDS, AND FEES

Government policies and ordinances regulating development affect the availability and cost of new housing. Land use controls have the greatest direct impact, but development approval procedures, permit fees, building code requirements, and permit processing time can affect housing costs as well.

Permit Processing Procedures

Permit processing requirements at all levels of government have increased in recent years. Like every jurisdiction, the City of Clayton has a number of procedures it requires any developer to follow. Housing development projects proposed in Clayton are subject to one or more of the following review processes: environmental review, zoning, subdivision review, planned unit development, site plan review, use permit control, and building permit approval.

Unlike its larger neighbors, the City of Clayton does not operate a building department and therefore depends on Contra Costa County to issue building permits for the City. The residential development process works as follows: An applicant submits plans to the City of Clayton which in turn reviews the plans for zoning conformance. If the City determines that the project requires one or more discretionary permits or approvals by the City, then the applicant is required to obtain these permits and approvals before proceeding. When all discretionary permits and approvals have been obtained by the developer, or if no discretionary permits or approval are required, then the developer applies for sewer and water services. Sewer approvals are granted by the City of Concord which provides Clayton's sewer services, and water approvals are granted by the Contra Costa Water District (CCWD). Once the developer has obtained approvals for services from the City of Concord and CCWD and has also obtained all necessary discretionary permits from the City of Clayton, he/she proceeds to the Contra Costa County Building Department which issues building permits, provides inspection services, and grants certificates of occupancy for the project. Table II-29 below, shows typical permit processing times for the City of Clayton.

TABLE II-29
TYPICAL PERMIT PROCESSING TIMES
City of Clayton
1992

Type of Application	Estimated Approval Time Period (Following Formal Acceptance)¹
General Plan Amendment	9 Weeks
Rezoning	9 Weeks
Use Permit	5 Weeks
Variance	5 Weeks
Building Permit	2-3 Weeks
Administrative Review (staff level)	1 Week
Site Plan Review	5 Weeks
Planned Development	20 Weeks
Subdivision (Tentative Map)	5 Weeks
Subdivision (Final Map)	Variable

Note: ¹These times assume no EIR is required.

Source: City of Clayton; Contra Costa County

The typical processing times reported in Table II-29 include both discretionary and non-discretionary permit processing times and take into account the time required to obtain permits from both Contra Costa County and the City of Clayton. For example, a "typical" development project that requires a use permit and a variance from the City of Clayton and a building permit from Contra Costa County would take approximately seven to eight weeks to process (i.e., five weeks for the use permit and variance which would be processed concurrently, and two to three weeks for a building permit).

The City's permit processing procedures include an assessment of the potential environmental impacts of the proposed projects. If a project requires an environmental impact report, additional processing and time is required. These review procedures are mandated by state law under the California Environmental Quality Act (CEQA). Many of the environmental regulations have protected the public from significant environmental degradation and the location of certain developments on inappropriate sites, and have given the public an opportunity to comment on project impacts. This process does, however, increase the time before final approval of a project.

On- and Off-Site Improvement Requirements

The City of Clayton requires the installation of certain on-site and off-site improvements to ensure the safety and livability of its residential neighborhoods. On-site improvements typically include streets, curb,

gutter, sidewalk, and utilities, and amenities such as landscaping, fencing, streetlights, open space, and park facilities. Off-site improvements typically include the following:

- Road improvements, including construction of sections of roadway, medians, bridges, sidewalks, bicycle lanes, and lighting.
- Drainage improvements, including improvement to sections of channel, culverts, swales, and pond areas. (Contra Costa County Flood Control District requirements).
- Sewage collection and treatment (City of Concord, Central Sanitation District requirements).
- Water systems improvements, including lines, storage tanks, and treatment plant (Contra Costa County Water District requirements).
- Public facilities for fire, school, and recreation.
- Geological hazard repair and maintenance where appropriate.

Improvements required of any particular residential project depend upon the improvements that exist prior to development. If, for example, a vacant lot is improved with curb, gutters, and sidewalks, then the developer is obviously not required to reinstall these. All typical improvements discussed above are required for residential development if they are absent prior to development.

The Clayton *Zoning Ordinance* requires two covered spaces and two uncovered spaces (which can be provided in tandem with the two covered spaces) for each single family unit. The *Zoning Ordinance* requires two spaces, one of which must be covered, for each multi-family unit. These parking requirements have been reduced in PUD developments (e.g., Oakhurst provides only 1.5 parking spaces for its zero lot line units) and may be reduced for Affordable Housing Opportunity Sites.

Typically, on-site and off-site improvement costs are passed on to the homebuyer as part of the final cost of the home. In the case in the Oakhurst Development, those purchasing units are subject to an assessment to finance infrastructure and an additional Mello-Roos Tax Assessment, which increases the cost of owning those units.

Site Plan Review

Site plan review is required for all projects in the PUD, multi-family residential, and commercial zoning districts, for all accessory additions over a specified size, and for any second-story addition to an existing residential structure. Clayton's site plan review process requires review "with primary emphasis on compatibility with surrounding residences, solar rights, privacy, safety, and view." The site plan review process involves approximately five weeks of processing time and payment of application fees.

Building and Housing Codes

Table II-30 shows applicable building and housing codes adopted and currently administered by Contra Costa County for use in Clayton.

TABLE II-30

APPLICABLE BUILDING AND HOUSING CODES
Contra Costa County
1992

Code Name	Code Date	Remarks
Uniform Building Code	1988	No amendments
Uniform Building Code Standards	1988	No amendments that significantly increase housing costs
National Fire Code	1988	No amendments
Uniform Fire Code	1988	Automatic sprinklers required for all construction over 10,000 square feet, for construction over 20,000 square feet with common walls, and for construction in areas with longer than standard emergency response times
Uniform Plumbing Code	1988	No amendments that significantly affect housing costs
Uniform Mechanical Code	1988	No amendments that significantly affect housing costs
National Electric Code	1987	No amendments that significantly affect housing costs
State Health and Safety Code	N/A	No amendments

Sources: City of Clayton, Contra Costa County Building Department, and Contra Costa County Fire Protection District

Permit Fees

The City collects fees to help cover the costs of permit processing, inspections, and environmental review. The City and applicable districts collect development fees for the provision of services such as water, sewers, storm drains, and parks and recreation facilities. These fees are generally assessed based on the number of units in residential development. Fees charged for building permits are based on the construction values as prescribed by the Uniform Building Code. Fees collected by the City in the review and development process do not exceed the City's costs for providing these services. When raising fees, the City complies with all applicable state laws. Table II-31 shows development fees for the City of Clayton in May 1992.

TABLE II-31
DEVELOPMENT FEES¹
May 1992

Item	Responsible Agency	Costs
Building Permit ²	Contra Costa County	\$2,758
School Fees (\$0.74/s.f.)	Mt. Diablo Unified School District	1,480
Fire Fees	Contra Costa County Fire Protection District	300
Property Development	City of Clayton	450
Parkland Dedication	City of Clayton	2,259
Off-Site Improvement	City of Clayton	1,219
Childcare	City of Clayton	205
Sewer Connection	City of Concord	2,385
Water Connection	Contra Costa Water District	5,430
Total		\$16,486

Notes: ¹Fees for construction of a 2,000 s.f. house with 500 s.f. garage

²Includes building permit fee, plan check fee, Clayton surcharge, mechanical fees, plumbing fees, electric fees, Title 24, earthquake fees, and administrative costs.

Source: City of Clayton; Contra Costa County

Development fees have been on the rise in the Bay Area, and fees levied in Clayton are consistent with this trend. In 1991, the Building Industry Association of Northern California completed a survey of development fees in 56 communities in 14 counties in Northern and Central California. This survey reported that on average, fees rose 49 percent since the 1987 Bay Area Council survey (both surveys were based on hypothetical development of 100 single-family detached homes on a 25-acre site, each home 1,500 square feet with three bedrooms and two baths). Average development fees for the Bay Area in 1991 were \$13,784, and in Contra Costa County the average development fee was \$14,945. The survey reported wide variation in development fees from city to city. Six Bay Area cities were reported to have development fees over \$20,000, with San Ramon the highest at \$23,634. Four cities were reported to have development fees less than \$7,500, with Oakland the lowest at \$4,542. The estimate of development fees for Clayton assumes a larger house than the BIA survey (2,000 square foot versus 1,500 square foot house in BIA survey) and therefore may not be fully comparable to the BIA survey results. Nonetheless, it appears that development fees in Clayton in Table II-31 are about average for the Bay Area.

CONCLUSION

As noted above, the regulations and fees applicable to new development increase housing costs and to some degree may constrain the availability of affordable housing. Yet these regulations and fees are mandated by state law or are deemed necessary to protect the health, safety, and welfare of the community and to protect existing residents from the otherwise external costs of new development.

NON-GOVERNMENTAL CONSTRAINTS

The availability and cost of housing is strongly influenced by market factors over which local government has little or no control. State law requires that the housing element contain a general assessment of these constraints. This assessment can serve as the basis for actions which local governments might take to offset the effects of such constraints. The primary market constraints to the development of new housing are the costs of constructing and purchasing new housing. These costs can be broken down into three categories: land, construction, and financing. For the most part, housing cost components in Clayton are comparable to those in other parts of the Bay Area. The following paragraphs briefly summarize these components vis-à-vis the local market and the statewide market.

LAND COSTS

Costs associated with the acquisition of land include the market price of raw land and the cost of holding land throughout the development process. These costs can account for as much as half of the final sales prices of new homes in very small developments or in areas where land is scarce. Among the variables affecting the cost of land are its location, its amenities, the availability of public services, and the financing arrangement made between the buyer and seller.

Land costs vary significantly in accordance with a variety of factors, including proximity of urban services. According to knowledgeable real estate agents, land costs currently (1992) are approximately \$5.00 per square foot in Clayton.

CONSTRUCTION COSTS

According to the local developers, total construction costs are approximately \$92 per square foot. This cost includes architecture, engineering, permits, fees, financing, and all other costs except land.

COST AND AVAILABILITY OF FINANCING

The cost and availability of capital financing affect the overall cost of housing in two ways: first, when the developer uses capital for initial site preparation and construction and, second, when the homebuyer uses capital to purchase housing.

The capital used by the developer is borrowed for the short-term at commercial rates, which are considerably higher than standard mortgage rates. Commercial rates nonetheless drop when the overall market rates decrease, so low interest rates have a positive effect on the housing construction market. According to staff at the Contra Costa Board of REALTORS®, construction financing is readily available to developers building in any Clayton neighborhood. In addition to consulting with the Contra Costa Board of REALTORS®, consultants also interviewed the Presley Company, a major developer of residential property in Clayton, which indicated that construction and permanent financing is readily available for owner-occupied housing in Clayton at rates comparable to the Bay Area generally. Construction financing, however, is difficult to obtain for multi-family construction. This lack of construction financing for multi-family housing poses a significant constraint on the production of affordable housing in Clayton.

The homebuyer uses capital financing in the form of long-term mortgage loans. Home ownership can be constrained by high mortgage interest rates. High interest rates obviously make qualifying for a loan

difficult. Table II-32 shows the price of a house affordable to the moderate-income family in Clayton at various interest rates.

TABLE II-32

**PRICE OF MODERATE-INCOME HOUSE
BY INTEREST RATE**

Moderate Income Limit for a Three-Person Family = \$50,550¹

Interest Rate	Mortgage²	Down Payment³	Price of House Affordable to Moderate-Income Family
7.0%	\$189,951	\$21,106	\$211,057
7.5%	180,739	20,082	200,821
8.0%	172,228	19,136	191,365
8.5%	164,355	18,262	182,617
9.0%	157,061	17,451	174,512
9.5%	150,294	16,699	166,993
10.0%	144,005	16,001	160,006
10.5%	138,154	15,350	153,505
11.0%	132,702	14,745	147,446
11.5%	\$127,614	\$14,179	\$141,793

Notes: ¹Up to 120 percent of median family income
²Assumes a 30-year fixed-rate mortgage term
³Assumes down payment is 10 percent of price

Source: U.S. Department of Housing and Urban Development; J. Laurence Mintier & Associates

At an interest rate of 7 percent, the price of a house affordable to the moderate-income family in Clayton is approximately \$211,000. At 9 percent, the price of an affordable house drops to approximately \$175,000. At 11.5 percent, the price drops to approximately \$142,000.

Interest rates in June 1992 were relatively low, at about 8.5 percent for a 30-year, fixed-rate loan (FIRM). Introductory rates for adjustable rate mortgages (ARMs) were very low at about 5.95 percent. Lenders are also offering new financing packages that provide a balloon payment mortgage for five or seven years, the terms of which are renegotiated at the end of the term to another fixed rate which is based on current mortgage rates. These types of mortgages offer the advantages of a fixed-rate and can be offered at lower rates than the typical 30-year mortgage. The average rate for these types of mortgages was about 7.0 percent in June 1992.

Potential homebuyers must also meet other financial requirements in order to purchase a home, including a downpayment, loan fees, insurance, and taxes. Downpayment requirements can limit the ability of first-time homebuyers to purchase a home, even with adequate annual income. Table II-33 below shows the typical costs associated with buying a home.

TABLE II-33
TYPICAL HOUSING COSTS
(\$285,000 Home)

Sales Price	\$285,000
Closing Costs	9,017
Down Payment @ 10%	28,500
Mortgage Balance	256,500
Annual P&I @ 9.0% (30 years)	24,765
Insurance*	542
Taxes*	3,275
Total Annual Carrying Costs	28,582
Income Needed @ 30% of Gross	\$95,273

Note: *Varies with jurisdiction

Source: J. Laurence Mintier & Associates

Regarding evidence of income groups under-served by financial institutions, discussions with City staff indicate that there is no evidence of this in any of Clayton's neighborhoods. This proposition is generally supported by the fact that Clayton has a very low rate of rehabilitation need. Furthermore, rehabilitation need is fairly evenly distributed throughout Clayton with no visible signs of disinvestment by the local financial community in any neighborhood.

CURRENT AND PAST HOUSING PROGRAMS IN CLAYTON

REDEVELOPMENT AGENCY

State law authorizes the use of redevelopment to make sites available for new housing, to provide subsidies for affordable housing, and to aid in the preservation and upgrading of residential areas. A city or county can designate one or more areas in need of redevelopment (i.e., project areas). The increased property tax revenue (tax increment) resulting from new private investment in the project area is directed to the redevelopment agency rather than the City or County. Tax increment funds must be used for public improvements and for affordable housing development within the project area, or in some circumstances, outside the project area. State law requires that at least 20 percent of all property tax increment revenues for a redevelopment project area be used for affordable housing. In addition to providing funds for a wide range of local housing programs, redevelopment enables a city or county to issue bonds and otherwise finance housing construction and acquire land for new housing.

The City of Clayton created a redevelopment agency in 1982 and designated a project area in June 1987. The Clayton Redevelopment Agency began receiving its first tax increment revenues in FY 88-89. To date the Redevelopment Agency has committed virtually all of its 20 percent housing set-aside revenues to support the development of a 20-unit very low-income housing project. This project, which is sponsored by the Housing For Independent People (HIP), is scheduled for completion by Fall 1993. A subsequent section discusses special requirements for the provision of affordable housing within the redevelopment agency's boundaries.

CONTRA COSTA COUNTY PROGRAMS FOR NEW CONSTRUCTION

Mortgage Revenue Bonds (MRBS)

Tax exempt mortgage revenue bonds are a source of funds which may be used to raise money for mortgage loans. Tax exempt bonds are issued at below-market interest rates to provide low interest rate financing for single-family, owner-occupied homes and multi-family rental housing. The mortgages may be used for acquisition, rehabilitation, or new construction. The bonds are repaid as mortgages are repaid. Housing finance agencies are created to issue such bonds, but other agencies, such as housing authorities, cities and counties, redevelopment agencies, and the state may also do so. The interest rate on the mortgage loans from bonds issued by these agencies is usually around 1¼ percent above the interest rate paid to bondholders and 2 to 3 percent below market. Private lenders originate and service the loans, and authority to issue mortgage revenue bonds comes from the state.

Federal and state regulations require that bond proceeds be used to increase affordable housing opportunities for very low-, lower- and moderate-income households and require income, price, and rental restrictions based upon area median income limits.

Contra Costa County is currently (May 1992) in the process of issuing single family mortgage revenue bonds. These funds will be available for qualifying single family residential construction in Clayton.

Mortgage Credit Certificates (MCCS)

Local housing finance agencies may now issue mortgage credit certificates in lieu of mortgage revenue bonds. Home purchasers who receive MCCs are entitled to an income tax credit equal to a specified percentage of the interest they pay during the tax year on the mortgage on their principal residences.

Contra Costa County has a mortgage credit certificate program through which qualifying families can purchase new homes up to \$206,280 and existing homes up to \$161,550. These funds are available for the purchase of qualifying homes in Clayton.

Community Development Block Grant Program (CDBG)

Through the CDBG Program, the Department of Housing and Urban Development (HUD) provides grants and loans to local governments for funding a wide range of community development activities. As amended under the 1974 Housing and Community Development Act, the CDBG program is a consolidation of former categorical grant programs including Urban Renewal, Neighborhood Development Grants, Model Cities, Water and Sewer Grants, Neighborhood Facilities Grants, Open Space Grants, Rehabilitation Grants, and Historical Preservation Grants. Although spending priorities are determined at the local level, the purpose of the law is to provide adequate housing, a suitable living environment, and expanded economic opportunities for persons of low- and moderate-income. A minimum of 51 percent of the CDBG funds provided must be used for the support of activities that benefit low- and moderate-income persons.

Basic eligible activities include, but are not limited to: 1) acquisition and disposition of real property; 2) public facilities and improvements; 3) slum clearance activities; 4) public services; 5) interim assistance; 6) payment of non-federal share of a grant-in-aid program; 7) urban renewal completion; 8) demolition and relocation; 9) removal of architectural barriers to the physically disabled; 10) privately owned utilities; and 11) improvement of sites for assisted housing. CDBG assistance may be used for the following rehabilitation and preservation activities: 1) rehabilitation of public residential structures; 2) modernization of public housing; 3) rehabilitation of private properties; 4) temporary relocation assistance; 5) code enforcement; and 6) historic preservation. Except in limited circumstances, Community Development Block Grants may not be used for new construction of housing.

Contra Costa County receives CDBG funds as an urban county and disburses the funds for various purposes including new construction and rehabilitation. The new construction program provides funds for the writedown of land costs and for site improvement. The County also operates the Neighborhood Preservation Program through its Inspection Services Department which provides funds for rehabilitation throughout the county. Cities within Contra Costa County compete for CDBG funds on a project-specific basis. Most recently, the 20-unit HIP project in Clayton successfully competed for these funds and was awarded approximately \$200,000 for site improvements.

Home Investment Partnership Act (HOME Program)

The HOME Program is a new federal housing program enacted pursuant to Title II of the National Affordable Housing Act (1990). The purposes of the HOME Program are to: 1) expand the supply of decent, affordable housing for low- and very low-income families, with emphasis on rental housing; 2) increase state and local capacity to carry out affordable housing programs; and 3) provide for coordinated assistance to participants in the development of affordable low-income housing.

Contra Costa County will receive \$1.6 million in entitlements under the HOME Program in FY 92-93. The program requires a 50 percent match in funds from the locality, but for the first year no match is required. HOME Program funds can be used for acquisition, rehabilitation, new construction, and first-time homebuyers programs. Developers in Clayton can obtain HOME funds on a project-by-project basis.

PRIVATE FUNDING PROGRAMS

In recent years major financial institutions have become involved in the development of low- and moderate-income housing by making construction loans and permanent loans available at favorable rates. Such loans have aided many affordable housing developments.

The Community Reinvestment Act (CRA) directs the Department of the Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to encourage and assist the institutions they regulate to meet the credit needs of their communities. These agencies must assess the records of their member institutions when evaluating applications for a charter or other regulated transactions. As a result of the CRA, many major financial institutions have elected to actively participate in funding low- and moderate-income housing projects developed by nonprofit corporations.

The Federal Home Loan Bank provides direct project financing through its member institutions as part of its Affordable Housing Program. The Savings Associations Mortgage Company (SAMCO), which is an organization of savings institutions, also provides financing for affordable housing projects. The California Community Reinvestment Corporation (CCRC) was formed recently to pool the resources of the state's banks to assist in financing affordable housing. CCRC is sponsored by the Federal Reserve Bank of San Francisco and the San Francisco Development Fund and plans to raise \$100 million from member banks for below-market-rate loans to low- and moderate-income housing developments. Finally, the Federal National Mortgage Association (Fannie Mae) provides permanent financing for affordable housing development by purchasing or securitizing the lender-originated first mortgages on mutually agreeable terms.

Developers in Clayton could compete for any or all of these private funds for affordable housing by applying to the appropriate institution.

ACCOMPLISHMENTS OF THE 1985 HOUSING ELEMENT

The City examined the effectiveness of past housing policies and programs to determine the changes needed to best address current housing problems in Clayton. Both the *1985 Housing Element* and its 1987 revision contained five broad categories implementation measures: 1) identification and provision of adequate sites for a variety of housing types; 2) development of housing for low and moderate income households; 3) removal of governmental constraints to the development of housing; 4) conservation and improvement of the condition of housing and promotion of housing affordability; and 5) promotion of housing opportunities for all persons. The effectiveness/progress achieved on each of these implementation measures is reviewed below.

Adequate Sites

The *1985 Housing Element* called for the identification and provision of adequate sites for a variety of housing types. Several submeasures called for annexations, utilization of then-vacant city sites, higher density, and mixed-use housing to provide adequate sites. The *1985 Housing Element* noted that Clayton's regional housing need as determined by the Association of Bay Area Governments (ABAG) identified a total of 600 units, 313 of which were to be affordable to low- and moderate-income households. The *Housing Element* noted that there were only 1,460 units within the city in 1985 and there was not enough vacant land in Clayton to locate 600 new units within the 1985 city limits.

Since 1985, the City has annexed substantial residential land. The City annexed the Oakhurst (formerly Keller Ranch) site in 1987. The approved development plans for this project called for 1,485 homes. This development provided a variety of housing, including 673 townhome and duplex units. Also in 1987, the City annexed the Regency Meadows development which provided for 97 new single family homes. In 1990, the City annexed the Oakwood area which allowed for a 16-lot single family subdivision and additional land which could accommodate a maximum of 31 new homes under the adopted General Plan designation. Together, these 1990 annexations provided sites for 47 new housing units.

As of June 1992, approximately 360 homes in the Oakhurst project (193 townhome and duplex units), all 97 of the Regency Meadows homes, and one home in the Oakwood subdivision were occupied. It should also be noted that the City has continued to explore annexations as a method of providing additional housing sites. In 1991, the City embarked on the development of a specific plan for an unincorporated area to the east of the city along Marsh Creek Road. As of December 1992, the *Draft Marsh Creek Road Specific Plan* called for approximately 310 new units in land which would be annexed to the city.

Implementation submeasures also called for increased density and mixed-use as a means of providing adequate sites. In addition to the 673 townhome and halfplex units approved as part of the Oakhurst development, the City in 1990 approved 12 halfplex units within the Greystone Estates project. These halfplex units are built and substantially occupied. In early 1992, the City also granted all approvals and the Redevelopment Agency committed to spend \$567,000 from its affordable housing set-aside to construct a 20-unit very low-income affordable apartment project (Kirker Court). In 1990, the City adopted the *Town Center Specific Plan* which specifically allows for residential units in the Town Center commercial area thereby promoting mixed-use housing.

In summary, the City provided for far more new housing sites than the 600 called for in 1985 regional housing needs analysis. The City also provided for adequate sites through higher density. According to the *1985 Housing Element*, Clayton's housing stock was 89 percent single family detached. By June 1992, 705 attached and multi-family housing units have received all City approvals and 205 of those units have been built. The new housing sites provided, however, were generally not for affordable housing and the increased density provided was modest (up to 10 units/acre). Also, the prior *Housing Element* provided no quantifiable measures against which to assess progress.

Housing For Low- and Moderate-Income Households

This implementation measure supported construction of housing to meet Clayton's regional housing needs for low- and moderate-income units. Additional submeasures promoted the development of a 25 percent density bonus for rental housing, encouraged development of second units in single family areas, encouraged participation in a countywide mortgage bond financing program, and urged the use of the planned unit development process to encourage infill development.

In 1987, Clayton adopted a redevelopment plan. One of the purposes of the Clayton Redevelopment Agency was to provide for funds to support the development of low and moderate income affordable housing. Given Clayton's limited tax base and financial resources, the redevelopment process is the only means whereby Clayton can have a dedicated funding source for affordable housing. Redevelopment housing set-aside funds started to accumulate in fiscal year 1988-89. In early 1992, the Redevelopment Agency committed \$567,000 of its redevelopment housing set-aside funds (virtually all of the monies accumulated to that date) to support the construction of a 20-unit very low-income project (Kirker Court apartment project). This project is being developed by a non-profit developer (Housing for Independent People, Inc.) and is intended to house mentally disabled adults. The Clayton Redevelopment Agency is

providing 26 percent of the funding for this project with the majority coming from Federal sources (HUD Section 811, formerly 202) and 9.7 percent from the countywide Community Development Block Grant Program. All City approvals were granted as of June 1992. Payments of \$233,000 have been made towards this project and construction is expected to start in Spring 1993.

In addition to funding assistance for the Kirker Court project, the City granted a 25 percent density bonus. This bonus was granted under the provisions of state law as the City has no local density bonus ordinance. The City has and continues to participate in the countywide mortgage bond financing program. The City has granted approvals for secondary units in single family areas under the provisions contained in both the City Municipal Code and within State Law. However, only three such secondary units have been approved since 1988. The City has been successful in encouraging the development of infill lots at higher densities through the use of the Planned Unit Development process. The Kirker Court apartment project (20 units), and the Greystone Estate duplexes (12 units) are infill sites developed as planned unit developments.

In summary, the City has developed a dedicated funding source to promote affordable housing by the use of the redevelopment process and has financially supported the development of a 20-unit very low-income apartment project. The City has also been successful in encouraging moderately higher-density homes on infill sites through the Planned Unit Development process, and has continued to participate in the countywide mortgage bond program. The City has had limited success in encouraging second units in single family areas. Though the City has granted a 25 percent density bonus, the City needs to develop an ordinance to locally codify this practice and to provide greater incentive than those provided for in state law.

Removal of Governmental Constraints

The *1985 Housing Element* and its 1987 revision called for the removal of governmental constraints on the production of housing and identified a variety of actions as part of this implementation measure. The *Housing Element* called for a monitoring program to track the number of units built at densities of 7.5 units per acre and above, the number of units built as second units in single family areas, the number of units that received financing under the countywide mortgage bond program, and the number of mixed-use units. No monitoring program was established. By a review of City records, only three secondary units have been approved in single family areas. In 1990, the Town Center Specific Plan was adopted which provided for mixed-use housing. As of June 1992, no mixed-use housing units have been built. No information is available on the total number of units built at densities over 7.5 units per acre or on the number of units that received financing through the countywide mortgage bond program.

A variety of implementation submeasures were contained in the *1985 Housing Element* and its 1987 revision regarding programs to provide development information, to make the processing of permits more efficient, and to establish a clear fee schedule. The City developed informational handouts and checklists to explain its procedures, established a consistent fee schedule, and established development fees which are now annually updated. Project review procedures have been clearly established and time frames for review have been shortened and simplified. For a number of approvals, procedures have been changed replacing formal Planning Commission action with staff administration following guidelines (i.e., some site plan review and plan checking). The City is currently reviewing its Site Plan Review procedures to increase the number of approvals that can be handled administratively. This simplification of the project review and approval process has occurred as City staff has gone from a single part-time planner to a small department consisting of two professionals and one full-time clerical support.

The *1985 Housing Element* and its 1987 revision called for greater flexibility of standards in infill projects. As previously noted, a number of the infill projects have been approved using the planned unit development process which has used standards significantly more flexible than those contained within the *Zoning Ordinance* for standard residential zones.

The *1985 Housing Element* also identified governmental constraints in some types of infrastructure in the city. Specifically noted was the large number of lots on septic tanks without access to sanitary sewers and the lack of adequate roadways to serve potential new development. Another purpose of the Redevelopment Agency was to address these infrastructure issues. The Redevelopment Agency has developed a comprehensive schedule to provide sanitary service to almost all remaining unserved lots. Redevelopment bonds have been sold, plans prepared, and Phase I construction is out to bid as of June 1992. Also, the Redevelopment Agency together with the City's Oakhurst Assessment District has provided significant road improvement to remove most of the city's transportation related bottlenecks. These improvements were essentially complete by Spring 1992.

In summary, the City made significant progress in removing the governmental constraints identified in the *1985 Housing Element* and its 1987 revision. The planning function has been professionalized and simplified. Development standards for infill lots have become more flexible through the use of the planned unit development process. The identified infrastructure constraints have been largely removed. The City did not, however, implement any formal housing monitoring program.

Conservation of the Housing Stock

The fourth broad implementation measure of the *1985 Housing Element* sought to preserve the housing stock and promote affordability. Actions listed included the preservation of historic homes and their adaptive re-use and the promotion of affordability through energy conservation. The *1985 Housing Element* identified only 16 homes out of 1,460 (i.e., 1.0 percent) in need of rehabilitation or replacement. The City has preserved the historical Keller Ranch House and has retained it for City re-use. The O'Hara house was saved and moved to a temporary site awaiting re-use. Unfortunately, the City was not able to find a re-use for the building even when made available at no cost. The O'Hara house became an eyesore and the surrounding neighborhood sought its removal. In Fall 1992, the O'Hara house was demolished. In the pending *Marsh Creek Road Specific Plan*, two historic homes--the Llewellyn house and the Frank house--have been identified for preservation and adaptive re-use. The energy conservation measures identified in the *1985 Housing Element* are being implemented through the Site Review and Building Permit plan checking process. The *1985 Housing Element* has achieved success in implementing programs designed to conserve housing stock in the city.

Promotion of Housing Opportunities

The *1985 Housing Element* and its 1987 revision contained an implementation measure to promote non-discrimination in housing throughout City housing programs. The City has not received nor is aware of any complaints regarding housing discrimination within Clayton. The City has required housing non-discrimination provisions in its documents conveying the \$567,000 redevelopment set-aside funds for the Kirker Court apartment project. This implementation measure appears to have been successful and is being implemented on an on-going basis.

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REDEVELOPMENT AFFORDABLE HOUSING REQUIREMENTS

One of the major purposes of redevelopment is to promote development, conservation, and rehabilitation of affordable housing. To this end, state redevelopment law imposes very specific requirements on redevelopment agencies for affordable housing.

- *Health and Safety Code Section 33334.2* requires that not less than 20 percent of all tax increment received by the agency shall be used for the purposes of "increasing, improving, and preserving the community's supply of low and moderate-income housing."
- *Health and Safety Code Section 33413(a)* requires one-for-one replacement of all dwelling units occupied by low- and moderate-income households destroyed or removed as a part of a redevelopment project within four years of the destruction.
- *Health and Safety Code Section 33413(b)(1)* requires that at least 30 percent of all new or rehabilitated dwelling units developed by an agency be affordable to low- and moderate-income families, at least half of which must be for, and occupied by, very low-income households.
- *Health and Safety Code Section 33413(b)(2)* also requires that at least 15 percent of all new or rehabilitated dwelling units privately developed in a redevelopment project area shall be affordable to low- and moderate-income households, of which 40 percent must be for, and occupied by, very low-income households.
- *Health and Safety Code Section 33413(c)* requires all affordable units remain affordable for "the longest feasible time, as determined by the agency, but not less than the period of the land use controls established in the redevelopment plan."

To help ensure compliance with *Health and Safety Code Sections 33413(b)(1)* and *33413(b)(2)*, *Health and Safety Code Section 33413(b)(4)* requires each redevelopment agency to adopt a compliance plan. The requirements provide as follows:

Each redevelopment agency, as a part of the implementation plan required by *Health and Safety Section 33490*, shall adopt a plan to comply with the requirements of this subdivision for each project area. The plan shall be consistent with, and may be included within, the community's housing element. The plan shall be reviewed and, if necessary, amended at least every five years in conjunction with the housing element cycle. The plan shall ensure that the requirements of this subdivision are met every 10 years.

The plan shall include estimates of the number of new or rehabilitated residential units to be developed within the project area and the number of units for very low-income households and low- and moderate-income households which will be developed in order to meet the requirements of paragraph (2). The plan shall also include estimates of the number of agency developed residential units which will be developed during the next five years if any, and the number of units for very low-income households and, low- and moderate-income households which will be developed during the same period of time to meet the requirements of paragraph (1). If the requirements of this subdivision are not met by the end of each 10-year period, the agency shall meet these goals on an annual basis until the requirements for the 10-year period are met. If the agency has exceeded the requirements within the 10-year period, the agency

may count the units that exceed the requirement in order to meet the requirements during the next 10-year period.

This section provides the background analysis for the Redevelopment Agency Affordable Housing Plan, while the policy commitments for the plan are set out in Part I, *General Plan Policy Document*.

HOUSING DEVELOPMENT AND POTENTIAL WITHIN THE REDEVELOPMENT PROJECT AREA

According to an inventory completed by City staff in December 1992, 538 housing units have been built (or are approved and pending construction) since the adoption of the Redevelopment Project Area in 1987. Clayton's largest housing project, Oakhurst, is currently being constructed by the Presley Corporation. Between 1989 and December 1992, Presley built (or received final approval to build) 502 market-rate housing units within the Redevelopment Agency Project Area. In addition to Oakhurst, there are three small projects that have been recently completed or approved. The Greystone project includes 12 market-rate housing units; Pine Terrace includes four market-rate housing units; and the Housing for Independent People (HIP) project includes 20 very low-income housing units.

Table II-34 summarizes housing units that have been built or entitled within the Redevelopment Agency Project Area since adoption of the Project Area in 1987.

TABLE II-34

EXISTING AND ENTITLED HOUSING UNITS Clayton Redevelopment Project Area January 1, 1988 to December 31, 1992

Project Name	Number of Housing Units	Comments
Oakhurst	502 units	Project includes both attached and detached single family units; project expected to build out in 1995
Greystone	12 units	
Pine Terrace	4 units	
HIP Project	20 units	All units affordable to very low-income persons
Total	538 units	

Source: Clayton Redevelopment Agency

According to the inventory completed by City staff in December 1992, there is a potential for an additional 264 housing units within the Redevelopment Project Area based on existing zoning and planned redesignations and rezonings. For the purposes of this analysis, it is assumed that all of these sites will develop by the year 2002. Table II-35 lists vacant residential sites within the Project Area. See Figure II-1 following page II-33 for the location of these sites.

TABLE II-35

POTENTIAL NEW HOUSING UNITS WITHIN THE REDEVELOPMENT PROJECT AREA

II-58

SITE NAME/ APN	ACRES	G.P. DENSITY	ZONING	# OF UNITS	COMMENTS
Town Center Site	3.2 ac	Multi-family, medium-density (10.1 to 15.0 du/ac)	PUD	60 units	Assumes maximum density with a density bonus of 25 percent
Easley Property (119-070-016)	6.0 ac	Medium-density residential (3.1 to 5.0 du/ac)	AG	30 units	This site needs to be rezoned to allow multi-family development; no density bonus assumed.
Lemke Site (119-08-21)	9.1 ac	High-density residential (5.1 to 7.5 du/ac)	PUD	68 units	No density bonus assumed.
Miscellaneous Town Center Sites (119-017-3, 10 and 119-018-1, 2, 6, 7, 12, 13, 14)	3.5 ac	Multi-family, medium-density (10.1 to 15.0 du/ac)	PAO	65 units	Assumes maximum density with a density bonus of 25 percent
Mitchell Canyon #1 (121-090- 11 and 12)	6.5 ac	Low-density residential (1.1 to 3.0 du/ac)	R-15	19 units	Assumes site will develop at 3.0 du/ac
Mitchell Canyon #2 (121-090- 16)	4.5 ac	Low-density residential (1.1 to 3.0 du/ac)	R-15	13 units	Assumes site will develop at 3.0 du/ac
Seminary Site (122-060-011)	24.2 ac	School/Private	PUD	9 units	Appropriate for Rural Estate Residential use (0.2 to 1.0 du/ac). Any residential use would require a general plan amendment. Assumes site will develop at 0.4 du/ac due to significant site constraints.
TOTAL	57.0 ac			264 units	

Sources: City of Clayton; J. Laurence Mintier & Associates

Thus, it is estimated that from the adoption of the Redevelopment Project Area in 1987 through the year 2002, a total of 802 new units will be developed within the Project Area. It is also assumed that the Redevelopment Agency will not develop affordable units directly but will subsidize development of new units by private developers and non-profit agencies, requiring compliance with the 15 percent requirement in *Section 33413(b)(2)* instead of the 30 percent requirement in *Section 33413(b)(1)*. Accordingly, of the 802 total units to be developed, 120 units (15 percent) must be affordable to households with low and moderate incomes. Of these 120 units, 48 units (40 percent) must be affordable to very low-income households. The 20-unit HIP project, which is currently being developed for very low-income households, reduces this need downward to 28 units. The remaining 72 units (60 percent of 120 units) must be affordable to persons and families of low or moderate income.

In addition to meeting the redevelopment requirements, the City of Clayton is obliged under housing element law to facilitate development of housing to meet its fair share of regional housing needs as determined by the Association of Bay Area Governments. As shown in Table II-24, Clayton has a remaining fair share need for the period 1988-1997 of 82 units.

Affordable units built within Clayton's Redevelopment Project Area may be counted both toward achieving the Redevelopment Agency's housing obligation under *Health and Safety Code Section 33443(b)(2)* and toward achieving the City's fair share housing allocation. For the units to be counted toward achieving the Redevelopment Agency's obligation, however, affordability covenants must be imposed on the units that restrict rental and sales price. State law places no such requirement on units built to meet the City fair share housing allocation, although in reviewing housing elements, the Department of Housing and Community Development typically looks for affordability covenants for at least the low- and very low-income units to ensure their continued availability for the target income groups.

In Clayton's case, the City can combine efforts to meet the City's fair share housing allocation and the Redevelopment Agency's housing obligation by accommodating all needed affordable housing units within the Redevelopment Project Area. The Redevelopment Agency's housing obligation requires the development of 28 very low-income units and 72 low- and moderate-income units by the year 2002. The Redevelopment Agency's housing obligation is 10 very low-income units higher and 34 moderate-income units higher than those required to meet Clayton's fair share housing allocation through 1997. Table II-36 compares Clayton's Redevelopment Agency's housing obligation to ABAG's fair share housing allocation.

TABLE II-36

ABAG/REDEVELOPMENT AGENCY COMBINED HOUSING OBLIGATION
City of Clayton and the Clayton Redevelopment Agency

	Very Low	Low	Moderate	Above Moderate	Total
Adjusted ABAG ¹ Allocation for Clayton	19 units	29 units	39 units	0 units	87 units
Redevelopment Agency Housing Obligation	28 units	0 units	72 units	0 units	100 units
Total Combined Obligation ²	28 units	29 units	72 units	0 units	129 units

Notes: ¹This adjustment differs from Table II-24 of the Clayton Housing Element Background Report because units that were discounted in the latter adjustment for low- and moderate-income needs cannot be discounted for purposes of determining need for the Redevelopment Agency. Affordable Redevelopment Agency units must be price restricted. Housing Element law places no such requirement on the adjustment of ABAG allocation numbers.

²Total combined obligation represents the higher number of units required by either ABAG or the redevelopment law. The ABAG allocation covers the period through 1997; the Redevelopment Agency housing obligation covers the period through 2002.

Source: Association of Bay Area Governments; Clayton Redevelopment Agency; J. Laurence Mintier & Associates

REDEVELOPMENT AGENCY REVENUES

The City of Clayton Redevelopment Agency adopted its *Redevelopment Project Area Plan* in June 1987 and shortly thereafter began collecting tax increment revenues. According to the *City of Clayton Redevelopment Program Annual Update* prepared by Sutro & Company in October 1991, the Redevelopment Agency is expected to receive a total of \$68,750,000 in tax increment revenue through 2012. In accordance with state law, 20 percent of this revenue must be allocated to the Redevelopment Agency's Housing Set-Aside Fund, which amounts to an expected total of \$13,750,000. Table II-37 presents a summary forecast of tax increment revenues for the life of the Redevelopment Agency.

TABLE II-37
SUMMARY FORECAST OF TAX INCREMENT REVENUES
1988 Through 2012

Fiscal Year Ending	Cumulative Total Funds Allocated to Agency	Annual Housing Set-Aside	Cumulative Housing Set-Aside
1988	\$0	\$0	0.00
1989	197,000	39,000.00	39,000
1990	714,000	103,000.00	142,000
1991	1,487,000	155,000.00	297,000
1992	2,650,000	233,000.00	530,000
1993	4,046,000	279,000.00	809,000
1994	5,726,000	336,000.00	1,145,000
1995	7,733,000	401,000.00	1,546,000
1996	10,153,000	484,000.00	2,030,000
1997	12,895,000	549,000.00	2,579,000
1998	15,817,000	584,000.00	3,163,000
1999	18,929,000	622,000.00	3,785,000
2000	22,240,000	663,000.00	4,448,000
2001	25,761,000	704,000.00	5,152,000
2002	29,461,000	740,000.00	5,892,000
2003	33,019,000	711,000.00	6,603,000
2004	36,402,000	677,000.00	7,280,000
2005	39,994,000	718,000.00	7,998,000
2006	43,806,000	763,000.00	8,761,000
2007	47,849,000	808,000.00	9,569,000
2008	52,134,000	857,000.00	10,426,000
2009	56,140,000	802,000.00	11,228,000
2010	60,382,000	848,000.00	12,076,000
2011	64,870,000	898,000.00	12,974,000
2012	\$68,751,000	776,000.00	\$13,750,000

Source: Clayton Redevelopment Agency; J. Laurence Mintier & Associates

For the period 1989 through 2002 (which includes the 1993-2002 period covered by the Redevelopment Affordable Housing Plan), the total 20 percent set aside will amount to about \$5.9 million.

The Redevelopment Agency committed \$567,000 early in FY 92-93 to support development of a 20-unit very low-income housing project sponsored by Housing for Independent People (HIP). The Agency also expects to spend \$75,000 through FY 92-93 and \$50,000 per year thereafter on legal, professional, and administrative services from the 20 percent Set-Aside Fund. The Agency has no other existing commitments for the Housing Set-Aside Fund. Thus, the remaining revenues expected to accrue to the Housing Set-Aside Fund that would be available for affordable housing projects are estimated to be \$1,737,000 through FY 96-97 and \$4,800,000 through FY 01-02. Table II-38 shows an adjusted summary forecast of revenues to the Housing Set-Aside Fund through 2002.

TABLE II-38

**ADJUSTED SUMMARY FORECAST OF SET-ASIDE FUNDS
1997 and 2002**

Item	1997 Amount	2002 Amount
Total Estimated Housing Set Aside,	2,579,000	5,892,000
HIP 20-Unit Project	(567,000)	(567,000)
Administrative Expenses, FY 92-93	(75,000)	(75,000)
Administrative Expenses, after FY 93-94 ¹	(200,000)	(450,000)
Net Revenue ²	1,737,000	4,800,000

Note: ¹Estimated to be \$50,000 per year

²This does not include any expenses for development projects or special studies, nor does it include any interest that would accrue to the account over time.

Source: Clayton Redevelopment Agency; J. Laurence Mintier & Associates

SUBSIDIES FOR AFFORDABLE HOUSING DEVELOPMENT

The projected uncommitted revenues in the Housing Set-Aside Fund (i.e., \$4.8 million) would be available to support development of new units to meet the combined redevelopment requirements and the City's fair share allocation (i.e., 129 units of very low-, low-, and moderate-income units).

To determine whether expected Housing Set-Aside Fund revenues would be adequate to subsidize the cost of required low- and moderate-income units in Clayton, the City's consultants prepared a development analysis (i.e., site pro forma) for each of four Affordable Housing Opportunity Sites (see the Housing Element Policy Document for policy establishing Affordable Housing Opportunity Sites). These site pro forma demonstrate that 223 units of housing can be developed using a total subsidy of approximately \$2.8 million. Thirty units would be affordable to very-low income households, 29 units would be affordable to low-income households, and 91 units would be affordable to moderate-income households. Table II-39 summarizes the results of the site pro forma.

TABLE II-39
ILLUSTRATIVE SITE PRO FORMA SUMMARY
Affordable Housing Opportunity Sites

Site	Very Low ¹ Income	Low ¹ Income	Moderate ¹ Income	Above ¹ Moderate	Total ¹ Units	Total Project ² Subsidy
Town Center Site	15	14	31	0	60	\$1,138,207
Misc. Town Center Sites	15	15	35	0	65	783,429
Easley Property	0	0	8	22	30	280,000
Lemke Site	0	0	17	51	68	595,000
TOTAL	30	29	91	73	223	2,796,638

Note: ¹This represents the minimum number of units to be developed on the site.

²For illustration only.

Source: The Consulting Group; J. Laurence Mintier & Associates

Tables II-40a and II-40b provide development analyses for the two Affordable Housing Opportunity Sites within the Redevelopment Project Area that include very low- and low-income housing.

TABLE II-40a

ILLUSTRATIVE DEVELOPMENT ANALYSIS
Town Center Site

I. LOCATION: TOWN CENTER SITE

Density:	18.75 units/acre	Very Low Income Units:	15
Size:	139,392 s.f.	Low Income Units:	14
Development constraints:	None	Market Rate Units:	31
Adjacent uses:	Residential		-----
		Total Units	60

II. 1992 INCOME LIMITS

Median Income:	2 person = \$37,450	3 person = \$42,100	4 person = \$46,800
Low Income (1)			
	1 Bdrm - 2 person	2 Bdrm - 3 person	3 Bdrm - 4 person
Income -	\$29,960	\$33,680	\$37,440
Rent -	\$749	\$842	\$936
Very Low Income (2)			
	1 Bdrm - 2 person	2 Bdrm - 3 person	3 Bdrm - 4 person
Income -	\$18,725	\$21,050	\$23,400
Rent -	\$468	\$526	\$585

III. UNIT MIX, RENT, & INCOME SCHEDULE

Type	Total Units	Unit Size (s.f.)	Total (s.f.)	23% Low Income Units	Rent	25% Very Low Income Units	Rent	52% Market Rate Units	Rent	Annual Income
1 br/1ba	13	550	7,260	3	\$749	3	\$468	7	\$800	\$111,720
2 br/1ba	30	800	24,000	7	\$842	8	\$526	16	\$950	\$294,920
3 br/2ba	17	1,000	16,800	4	\$936	4	\$585	9	\$1,150	\$193,441
Total	60		48,060	14		15		31		\$600,081
Vacancy				5%	per year					(\$30,004)
Operating Expenses				\$2,500	per unit per year					(\$150,000)
Net Operating Income										\$420,077
Annual Debt Service				90%	of operating income					(\$378,069)
Cash Flow										\$42,008

IV. USES OF FUNDS

	AMOUNT
LAND COST	\$139,392 sq ft @ \$5 /sqft = \$11,616 per unit = \$696,960
DEVELOPMENT (Architect, Engineer, Fees, Permits, Financing, Construction, etc)	\$48,060 sq ft @ \$90 /sqft = \$72,090 = \$4,325,400
TOTAL PROJECT	60 units @ \$83,706 = \$5,022,360

V. SOURCES OF FUNDS

First Mortgage	9.00% APR, 30 year term	64,736 per unit	\$3,884,153
Subsidy (total cost minus first mortgage)		18,970 "	\$1,138,207
TOTAL PROJECT		83,706 "	\$5,022,360

Notes: (1) Low income is calculated at 80 percent of median and 30 percent of rent.
(2) Very low income is calculated at 50 percent of median and 30 percent of rent.

Source: The Consulting Group

TABLE II-40b

ILLUSTRATIVE DEVELOPMENT ANALYSIS
Miscellaneous Town Center Sites

I. LOCATION: MISC. TOWN CENTER SITES

Density:	18.75 units/acre		Very Low Income Units:	15
Size:	74,052 s.f.	3.5 Acres	Low Income Units:	15
Development constraints:	None		Market Rate Units:	35
Adjacent uses:	Residential			-----
			Total Units	65

II. 1992 INCOME LIMITS

Median Income:	2 person = \$37,450	3 person = \$42,100	4 person = \$46,800
Low Income (1)			
	1 Bdrm - 2 person	2 Bdrm - 3 person	3 Bdrm - 4 person
Income -	\$29,960	\$33,680	\$37,440
Rent -	\$749	\$842	\$936
Very Low Income (2)			
	1 Bdrm - 2 person	2 Bdrm - 3 person	3 Bdrm - 4 person
Income -	\$18,725	\$21,050	\$23,400
Rent -	\$468	\$526	\$585

III. UNIT MIX, RENT, & INCOME SCHEDULE

Type	Total Units	Unit Size (s.f.)	Total (s.f.)	23% Low Income Units	Rent	23% Very Low Income Units	Rent	54% Market Rate Units	Rent	Annual Income
1 br/1ba	14	550	7,700	3	\$749	3	\$468	7	\$800	\$116,616
2 br/1ba	32	800	25,600	7	\$842	7	\$526	17	\$950	\$317,836
3 br/2ba	19	1,000	19,000	4	\$936	4	\$585	10	\$1,150	\$225,427
Total	65		52,300	15		15		35		\$659,878
Vacancy				5%	per year					(\$32,994)
Operating Expenses				\$2,500	per unit per year					(\$162,500)
Net Operating Income										\$464,384
Annual Debt Service				90%	of operating income					(\$417,946)
Cash Flow										\$46,438

IV. USES OF FUNDS

						AMOUNT
LAND COST	\$74,052 sq ft @	\$5 /sqft	\$5,696 per unit			\$370,260
DEVELOPMENT	\$52,300 sq ft @	\$90 /sqft	-	\$72,415	"	\$4,707,000
(Architect, Engineer, Fees, Permits, Financing, Construction, etc)						-----
TOTAL PROJECT	65 units @		\$78,112	"		\$5,077,260

V. SOURCES OF FUNDS

First Mortgage	9.00% APR,	30 year term	66,059 per unit	\$4,293,831
Subsidy (total cost minus first mortgage)			12,053 "	\$783,429
TOTAL PROJECT			78,112 "	----- \$5,077,260

Notes: (1) Low income is calculated at 80 percent of median and 30 percent of rent.
(2) Very low income is calculated at 50 percent of median and 30 percent of rent.

Source: The Consulting Group

OPPORTUNITIES FOR ENERGY CONSERVATION

Contra Costa County (the agency that performs plan check and issues building permits for Clayton) encourages energy conservation in residential projects by reviewing projects for building orientation, street layout, lot design, landscaping, and street tree configuration in order to maximize solar access and energy conservation. Residential structures must meet all requirements of the *Uniform Building Code* with respect to energy saving materials and designs. City policies, together with the *General Plan Land Use Diagram*, encourage the location of higher density residential projects within walking distance of transit stops, commercial centers, and employment sites, thereby reducing consumption of gasoline.

Utility costs significantly increase basic housing costs, with space heating and water heating the biggest energy consumers. Over 90 percent of homes in Clayton rely on utility gas for heat. Table II-41 shows 1990 Census tabulations of the type of fuel used for house heating.

TABLE II-41
HOUSE HEATING ENERGY USE
Clayton
1990

Energy Type	Number of Housing Units	% Total
Utility Gas	2,112	0.91
Bottled/Other Gas	13	0.01
Electricity	182	0.08
Fuel Oil, Kerosine, Etc.	0	0.00
Coal or Coke	0	0.00
Wood	25	0.01
Solar Energy	0	0.00
Other Fuel	0	0.00
No Fuel Used	0	0.00
Total	2,332.00	1.01

Source: U.S. Census Bureau; J. Laurence Mintier & Associates

The Pacific Gas and Electric Company (PG&E) offers a Residential Conservation Service Audit at a customer's request. The audit analyzes, among other things, home insulation, weatherstripping, caulking and window insulation for heat loss. The program also identifies other resource conservation measures, such as installation of low-flow shower heads, conversion from fluorescent to incandescent lighting, and replacement of gas pilot lights with electric ignition. Residents can pay for energy-saving devices with interest-free loans from PG&E or obtain reimbursement from PG&E through its "cash-back" program.

GENERAL PLAN CONSISTENCY

The *Housing Element* includes a list of vacant and underutilized parcels appropriate for rezoning to allow for medium-density and multi-family residential development, which would potentially be affordable to lower-income persons. In most cases, rezoning of these parcels would also require amendments to the *Land Use Element* of the *General Plan*. Amendments to the *Land Use* and *Circulation Elements* to achieve consistency with the *Housing Element* will be adopted subsequent to completion of this *Housing Element*. Consistency issues with respect to the *Conservation*, *Open Space*, and *Noise Elements* will be also be addressed at this time.

PUBLIC PARTICIPATION PROGRAM

The process for achieving public participation in the formulation of the *Public Review Draft Housing Element* consisted primarily of seven joint study sessions with the Planning Commission and City Council. A number of these joint study sessions were well attended by members of the public. In fact, the attendance at one joint study session concerning densities of Affordable Housing Opportunity Sites exceeded the capacity of the City Council Chambers (Endeavor Hall). Following these joint study sessions, the Planning Commission and the City Council each held public hearings on the Element's recommendation and adoption, respectively. The City used posted notices, published notices, letters and verbal notices to neighborhood leaders, and community contacts to publicize meeting dates for study sessions and public hearings as wide as possible.

In the course of preparing the *Draft Housing Element*, the consultants interviewed various persons, including Jennifer Baha from Shelter, Inc., Benita Harris from Phoenix, Inc., Rollie Muellen from the Battered Women's Alternative, and Mary Rouche from the George Miller Center.

SUMMARY OF FINDINGS ON NEEDS, CONDITIONS, AND CONSTRAINTS

The *Housing Element Background Report* documents the following characteristics of Clayton.

- Between 1993 and 1997, Clayton needs to add 19 units of very low-income housing (affordable to households with incomes up to 50 percent of area median income), 26 units of low-income housing (affordable to households with incomes up to 80 percent of area median income), and 37 units of moderate-income housing (affordable to households with incomes up to 120 percent of area median income), to achieve its adjusted regional fair share allocation as calculated by ABAG.
- There is currently a planned and zoned potential for development of approximately 1,664 new residential units within the city of Clayton.
- The City must rezone property and provide subsidy to provide adequate sites to accommodate its fair share housing allocation for very low- and low-income housing, although the City has sufficient sites to meet its fair share housing allocation in the aggregate.
- With the exception of the "Institutional" land use designation, Clayton's General Plan Land Use Element provides for a maximum residential density of 15 units per acre. Such a density cap requires that any housing built for lower-income households be heavily subsidized. Without such subsidies, density limitations pose a constraint to the development of housing affordable to lower-income households.
- The average sale price of a single-family house is approximately \$287,000, which is well above the price affordable to the moderate-income household in Clayton (i.e., \$182,000). The price of a townhouse or condominium is approximately \$183,000 which is marginally affordable to the moderate-income household.
- Clayton has no multi-family units. As a result, rental housing units, and therefore affordable housing units, in Clayton are in short supply.
- Clayton has a very low housing vacancy rate, especially for single-family detached dwellings. At 1.2 percent (1990), Clayton's overall vacancy rate is the lowest of any city in Contra Costa County. The rental vacancy rate in Clayton was 4.2 percent (1990).
- The 1985 *Housing Element* implementation measures resulted in one 20-unit very low-income apartment project and three second units being built in Clayton since 1985 (i.e., HIP Project for mentally disabled persons).
- Clayton's housing stock is relatively new, and there is virtually no need for rehabilitation efforts.

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LIST OF PERSONS CONSULTED

- Angersoni, Rick, City Engineer, City of Clayton
- Baha, Jennifer, Director of Program Services, Shelter Inc.

Housing Element Background Report

Belvedere, Wendy, Assistant Planner, City of Clayton

Enea, Sargeant, Clayton Police Department

Gunn, Larry, Building Inspection Department, Contra Costa County

Harris, Benita, Phoenix Inc.

Hatch, Randall, Community Development Director, City of Clayton

Johnson, Laurie, Secretary to Program Manager, Sherman House

Leichter, Anabelle, Contra Costa Housing Authority

Loveday, Ray, Phoenix Inc.

Muellen, Rollie, Executive Director, Battered Women's Alternative

Pendall, Rolf, Bay Area Council

Roche, Mary, George Mueller Center

Wasserburger, Toni, Contra Costa Association of Realtors

APPENDIX A

SPECIAL HOUSING REQUIREMENTS

In addition to requiring each city and county adopt a housing element, the California Legislature has enacted some very specific requirements to ensure that local regulatory procedures do not constrain housing development. This chapter summarizes these special housing mandates.

DISAPPROVAL OF LOW- AND MODERATE-INCOME HOUSING PROJECTS

A local agency shall not disapprove a housing development project affordable to low- or moderate-income households or condition approval in such a manner which renders the project infeasible unless it finds one of the following:

- The jurisdiction has an adopted housing element and the project is not needed to meet its share of the regional housing need for low-income housing;
- The project would have a specific, adverse impact upon the public health or safety which could not be mitigated without rendering the project unaffordable to low- and moderate-income households;
- The denial is required in order to comply with specific state or federal law
- The approval would increase the concentration of lower-income households in a neighborhood that already has a disproportionately high number of lower income households and there is no alternative site on which the project could be developed without rendering the project unaffordable to low- and moderate-income households;
- The project is proposed on land zoned for agriculture or resource preservation which is surrounded on at least two sides by land being used for agriculture or resource preservation;
- The development is inconsistent with the jurisdiction's general plan land use designation, and the jurisdiction has an adopted housing element.

(Government Code §65589.5)

ALLOWING MULTI-FAMILY HOUSING BY RIGHT

Where a city's inventory of residential sites does not identify adequate sites to accommodate the need for groups of all household income levels, the Housing Element shall provide for sufficient sites with zoning that permits owner-occupied and rental multi-family residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households *(Government Code §65583)*.

FINDINGS ON HOUSING LIMITS

Any city or county adopting or amending its general plan in a manner that limits the number of units that may be constructed on an annual basis must make specified findings concerning the efforts it has made

to implement its housing element and the public health, safety, and welfare considerations that justify reducing the housing opportunities of the region (*Government Code § 65302.8 and § 65863.6*).

HOUSING DISAPPROVALS AND REDUCTIONS

When a proposed housing development complies with applicable local policies and regulations in effect at the time the application is determined to be complete, the local agency may not disapprove the project or reduce its density unless it makes specified findings (*Government Code § 65589.5*).

SOLAR ENERGY SYSTEMS

Cities and counties may not enact zoning provisions that effectively prohibit or unnecessarily restrict the use of solar energy systems, except for the protection of public health or safety. Allowable "reasonable restrictions" include those that do not significantly increase the cost of the solar system or significantly decrease its efficiency and those that allow for an alternative system of comparable cost and efficiency (*Government Code § 65850.5*).

SECONDARY RESIDENTIAL UNITS

To encourage establishment of secondary units on existing developed lots, cities and counties are required to either (1) adopt an ordinance based on standards set out in the law authorizing creation of second units in residentially zoned areas; or (2) where no ordinance has been adopted, allow second units by use permit if they meet standards set out in the law. Local governments are precluded from totally prohibiting second units in residentially zoned areas unless they make specific findings (*Government Code § 65852.2*).

MOBILEHOMES IN SINGLE-FAMILY ZONES

Cities and counties shall allow the installation of mobilehomes on permanent foundations on lots zoned for conventional single-family dwellings. Cities and counties shall only subject mobilehomes to the same development standards that apply to single-family dwellings. Any architectural requirements, however, shall be limited to roof overhang, roofing material, and siding material and shall not exceed those which would be required of a single-family dwelling constructed on the same lot. Any area considered to be of special historical interest may be exempted from this provision (*Government Code § 65852.3*).

MOBILEHOME PARKS

Health and Safety Code § 18300 preempts local authority to regulate mobilehome parks except in regards to a very limited set of powers, and vests the responsibility with the California Department of Housing and Community Development. Local authorities can assume responsibility for enforcement of regulations from the department upon 30 days written notice to the department. Whether or not the local authority assumes enforcement powers from the state, it retains the power to:

- establish certain zones for mobilehome parks and to prohibit mobilehome parks from non-residential zones;
- establish types of mobilehome uses including family mobilehome parks, adult mobilehome parks, mobilehome condominiums, mobilehome subdivisions, or mobilehome planned unit developments;

- adopt rules and regulations prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking;
- prohibit certain uses for mobilehome parks;
- regulate the construction and use of equipment and facilities located outside of a mobilehome unit;
- regulate the density of a mobilehome park provided the density is not less than that allowed for other residential uses within that zone;
- require recreational facilities, recreational areas, etc., to the extent that such facilities or improvements are required for other types of residential developments containing a like number of residential units.

A mobilehome park is deemed by state law to be a permitted use on all land general planned and zoned for residential use (*Government Code § 65852.7*).

MOBILEHOME PARK CONVERSIONS

Any subdivider filing a tentative or parcel map to be created from the conversion of a mobilehome park to another use must prepare and file a report on the impact of the conversion on the displaced mobilehome park residents. The subdivider shall make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the public hearing. The city or county with jurisdiction must consider the impact report at a public hearing and may require as a condition of approval of the conversion that the project sponsor mitigate the impacts of displacement. These provisions also apply when closure of a mobilehome park is the result of a decision by a local government entity or planning agency (*Government Code § 65863.7 and § 66427.4*).

NOTIFICATION ON MOBILEHOME PARK CONVERSIONS

A city or county that has received an application for a mobilehome park conversion must notify the applicant at least 30 days prior to any hearing or action of state and local requirements for applicant notification or mobilehome owners and park residents concerning the proposed change. No action may be taken on the application until the applicant has satisfactorily verified that mobilehome owners and park residents have been properly notified (*Government Code § 65863.8*).

LIMITATIONS ON DEVELOPMENT PERMIT FEES

Fees charged by local public agencies for zoning changes, variances, use permits, building inspections, building permits subdivision map processing, or other planning services may not exceed the estimated reasonable cost of providing the service for which the fee is charged. Fees may exceed this limit only with a two-thirds vote of the electorate (*Government Code § 54990 and § 65909.5*).

RESIDENTIAL ZONING

Cities and counties must zone a sufficient amount of vacant land for residential use to maintain a balance with land zoned for non-residential use (e.g., commercial and industrial) and to meet the community's

projected housing needs as identified in the housing element of the general plan (*Government Code § 65913.1*).

RESIDENTIAL SUBDIVISION STANDARDS

Cities and counties may not impose standards for design and improvement for the purpose of making the development of housing for any and all economic segments of the community infeasible. Furthermore, it shall consider the effect of ordinances adopted and actions taken with respect to the housing needs of the region in which the local jurisdiction is situated (*Government Code § 65913.2*).

COORDINATED PERMIT PROCESSING

Each city and county must designate a single administrative entity to coordinate the review and decision-making and provision of information regarding the status of all applications and permits for residential, commercial, and industrial developments (*Government Code § 65913.3*).

DENSITY BONUSES

When a developer agrees to construct at least 20 percent of the total units in a housing development for lower income households, 10 percent of the total units for very low income households, or 50 percent of the total units for qualifying senior citizens, the city or county must either grant a density bonus and at least one other concession or incentive, or provide other incentives of equivalent financial value. The developer must agree to ensure continued affordability for all lower income units for 30 years (10 years under particular circumstances). The density bonus must increase by at least 25 percent the other maximum allowable density specified by the zoning ordinance and the land use element of the general plan. Each city or county must set up procedures for carrying out these provisions (*Government Code § 65913.4 and § 65915*).

DENSITY BONUSES FOR CONDOMINIUM CONVERSIONS

When a developer proposing to convert apartments to condominiums agrees to provide at least 33 percent of the total units in the proposed condominium project for low or moderate income households, at least 15 percent of the total units for lower income households, the city or county must either grant a density bonus or provide other incentives of equivalent financial value. The density bonus must increase by at least 25 percent over the number of apartments to be provided within the existing structure proposed for conversion (*Government Code § 65915.5*).

CEQA AND DENSITY REDUCTIONS

Cities and counties may deny or reduce the density set forth by the general plan for a housing project only as a mitigation measure for a specific adverse impact upon public health or safety pursuant to the California Environmental Quality Act and only when there is no other feasible mitigation that would achieve comparable density results (*Public Resources Code § 21085*).

RESIDENTIAL ENERGY CONSERVATION

Cities and counties are required to adopt energy conservation standards for new residential dwellings (excluding apartment houses with four or more stories and hotels); (*Public Resources Code § 25402.1*).

REDEVELOPMENT REPLACEMENT HOUSING

Every redevelopment plan must contain provisions that provide replacement housing on a "one-for-one" basis for low and moderate income persons displaced by redevelopment activity within four years of demolition. (*Health and Safety Code § 33413(a)*).

REDEVELOPMENT INCLUSIONARY HOUSING

Redevelopment agencies that develop affordable housing must develop at least 30 percent of all new or rehabilitated dwelling units to be affordable to low- and moderate-income families, at least half of which must be for, and occupied by, very low-income households (*Health and Safety Code Section 33413(b)(1)*).

Redevelopment agencies must ensure that at least 15 percent of all new or rehabilitated dwelling units privately developed in a redevelopment project area will be affordable to low- and moderate-income households, of which 40 percent must be for, and occupied by, very low-income households (*Health and Safety Code Section 33413(b)(2)*).

CONSERVATION OF AFFORDABLE HOUSING IN REDEVELOPMENT PROJECT AREAS

Redevelopment agencies must require all affordable units to remain affordable for "the longest feasible time, as determined by the agency, but not less than the period of the land use controls established in the redevelopment plan" (*Health and Safety Code Section 33413(c)*).

REDEVELOPMENT AGENCY FUNDS FOR HOUSING

Redevelopment agencies must use at least 20 percent of tax increment revenues generated by a redevelopment project to increase and improve the community's supply of housing for persons of low and moderate income. Certain findings may be made by the agency to set aside less than 20 percent if no need exists for such housing, if less than 20 percent is required to meet the need, or if a substantial effort to meet the needs is being made (*Health and Safety Code § 33334.2*).

COMMUNITY CARE FACILITIES

A residential facility which serves six or fewer persons shall be considered a residential use of property, and the residents and operators of the facility shall be considered a family. No conditional use permit, zoning variance, or other zoning clearance shall be required which is not required of a family dwelling of the same type in the same zone (*Health and Safety Code § 1566.3 and § 1567.1*).

COMMUNITY CARE FACILITIES FOR THE ELDERLY

A residential facility for the elderly which serves six or fewer persons shall be considered a residential use of property, and the residents and operators of the facility shall be considered a family. No conditional use permit, zoning variance, or other zoning clearance shall be required which is not required of a family dwelling of the same type in the same zone (*Health and Safety Code § 1569.84*).

HOMES FOR MENTALLY DISORDERED, HANDICAPPED PERSONS, OR DEPENDENT AND NEGLECTED CHILDREN

A state-authorized, certified, or licensed family care home, foster home, or group home serving six or fewer mentally disabled, or otherwise handicapped persons, or dependent and neglected children shall be considered a residential use of property. Such homes shall be a permitted use in all residential zones (*Welfare and Institutions Code § 5116*).

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